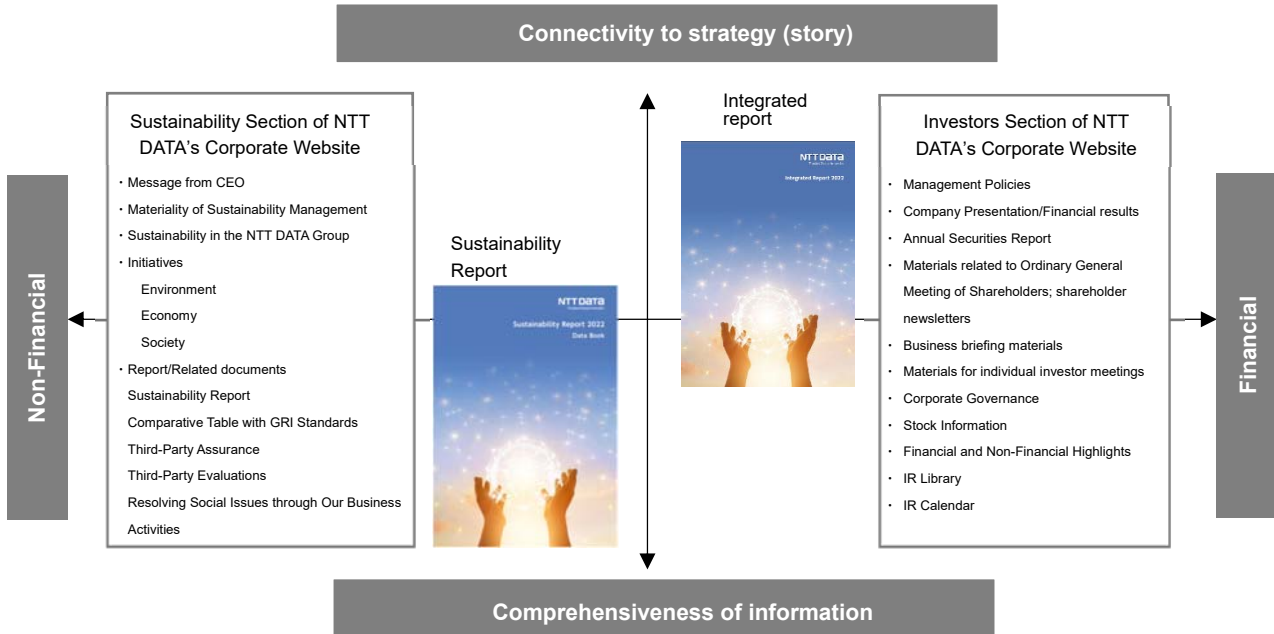# NTT DATA
Trusted Global Innovator

Sustainability Report 2022
Data Book

Editorial Policy

The NTT DATA Sustainability Report 2022 provides comprehensive and detailed non-financial information to all stakeholders. The report refers to the disclosure requirements of the GRI Standards and focuses on the NTT DATA Group's approach to non-financial matters and specific initiatives taken in fiscal 2021 in line with material issues identified by the Group.

Connectivity to strategy (story)

Non-Financial

Sustainability Section of NTT DATA's Corporate Website
- Message from CEO
- Materiality of Sustainability Management
- Sustainability in the NTT DATA Group
- Initiatives
  - Environment
  - Economy
  - Society
- Report/Related documents
  - Sustainability Report
  - Comparative Table with GRI Standards
  - Third-Party Assurance
  - Third-Party Evaluations
  - Resolving Social Issues through Our Business Activities

Sustainability Report

Integrated report

Investors Section of NTT DATA's Corporate Website
- Management Policies
- Company Presentation/Financial results
- Annual Securities Report
- Materials related to Ordinary General Meeting of Shareholders; shareholder newsletters
- Business briefing materials
- Materials for individual investor meetings
- Corporate Governance
- Stock Information
- Financial and Non-Financial Highlights
- IR Library
- IR Calendar

Financial

Comprehensiveness of information

Organizations Covered	NTT DATA Corporation and Group companies
Period of Coverage	This report mainly covers initiatives undertaken in fiscal 2021 (April 1,2021–March 31,2022). Certain details about earlier events, fiscal 2021 activities, and future plans are also included in this report.
Guidelines Referenced in This Report	Global Reporting Initiative (GRI) Sustainability Reporting Standards Japan's Ministry of the Environment Environmental Reporting Guidelines (2018)
Publication Date	December 2022 (Sustainability Report 2021 was published in October 2021)
Third-Party Assurance	Independent assurances of the following environmental and social data for fiscal 2021 have been provided by Lloyd's Register Quality Assurance Limited. (See page 127, "Independent Practitioner's Assurances.") Check marks are attached to data that received such assurances. Environmental data • GHG emissions (Scope 1, Scope 2, Scope 3) (tons-CO_2e) • Energy consumption and renewable energy consumption (MWh) • Water resources (water consumption and wastewater) (m^3) Social data • Number of occupational accidents • Number of female managers (ratio) • Social contribution activity expenditure (¥) • Number of employees with disabilities (employment ratio) 🖥 https://www.nttdata.com/global/en/sustainability/sdgs-management/third-party-evaluation

◆ **Using This Report**

Relevant links: Links to relevant pages and external sites are provided in the main text.

- **Contents:** Click each item in the table of contents to go to the relevant page.
- **Reference pages:** Click [Reference page] to go to the corresponding page.
- **Relevant sites:** Click 🖥 to go to the relevant website page.
- **PDF bookmark function:** Display the PDF bookmark (🔖) function to navigate to the desired item.

CONTENTS

Contents

Sustainability Management

Sustainability in the NTT DATA Group

Our Way

Since its foundation, the NTT Data Group has been expanding its business by providing services to customers and society based on its corporate philosophy of contributing to the realization of a more affluent and harmonious society by creating new paradigms and values through information technology.

We have established "Our Way" as a basic concept for our future development.

🖥️ https://www.nttdata.com/global/en/about-us/our-way

Our Way

Mission Statement	NTT DATA Group uses information technology to create new paradigms and values that help contribute to a more affluent and harmonious society.
Employee Creed	1 We will do our utmost to serve our customers. 2 We will meet the challenges of our work with an active and positive spirit. 3 We will create a lively and vibrant company.
Group Vision	Trusted Global Innovator
Values	Clients First Foresight Teamwork
NTT DATA Group Code of Conduct	Basic principles and standards that guide our daily actions

In May 2022, we revised our Code of Conduct, which is part of Our Way, and established the new NTT DATA Group Code of Conduct. The new Code of Conduct reflects not only ethics and compliance but also the Group's sustainability policy. It is the responsibility of all employees to understand, comply with, and put into practice the Code of Conduct. The senior management of each Group company takes the lead in complying with the Code of Conduct and strives to establish an environment that encourages employees to comply with the Code.

🖥️ The NTT DATA Group Code of Conduct

Sustainability Management in the NTT DATA Group

In fiscal 2005, the Group started to expand its global coverage through the Global 1st Stage, and in fiscal 2016, the Group started to establish a global brand through the Global 2nd Stage. In the first half of the Global 3rd Stage, which began in fiscal 2019, we worked to achieve high-quality global growth. The New Medium-Term Management Plan, which was newly launched in fiscal 2022 as the final stage of the Global 3rd Stage, aims to realize a sustainable society together with our customers, namely "Realizing a Sustainable Future," by creating value for the future and connecting various people with technology.

The social environment is changing dramatically every day. With the aim of expanding ESG management's initiatives to date and promoting sustainable management from a long-term perspective, the Company views this phase of major change as an opportunity for further growth. Under the slogan "Realizing a Sustainable Future," the Company has established the following three axes and nine material issues.

"Regenerating Ecosystems: Preserving the global environment for the future"

"Clients' Growth: Companies achieving growth in ways that support a sustainable society"

"Inclusive Society: Achieving a society where everyone can live healthy and happy lives"

By creating value for the future and connecting various people with technology, the Group will work with customers to realize a sustainable society.
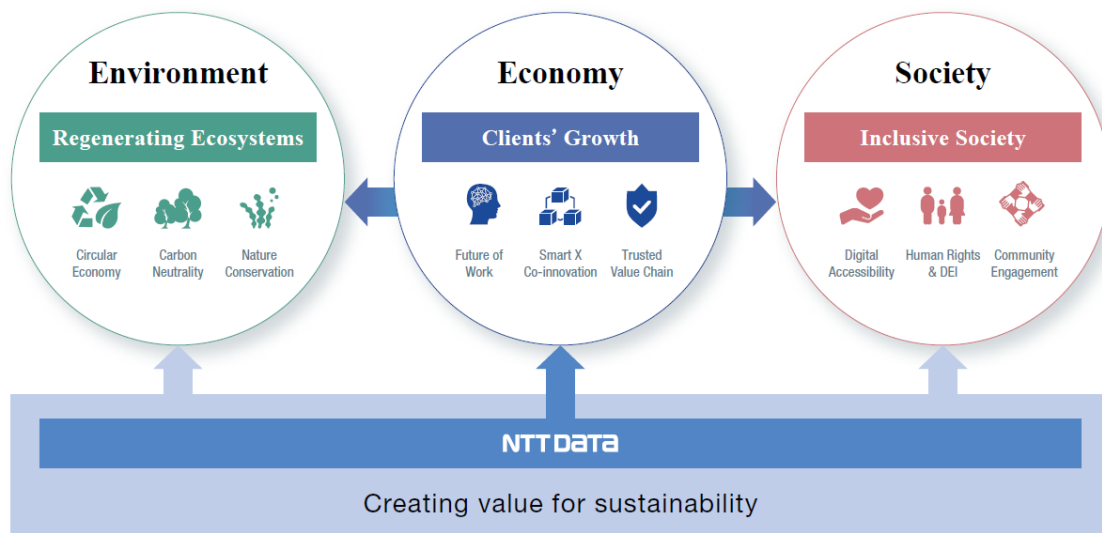
Promotion System

The NTT DATA Group promotes sustainability management under the leadership of the Representative Director and Senior Executive Vice President. Basic strategies related to sustainability, the status of implementation of activities, and particularly important matters related to information disclosure are discussed and determined by the Board of Directors to promote initiatives. The Sustainability Innovation Department is responsible for compiling the results of activities related to sustainability management, raising internal awareness, engaging with external parties, and other related tasks. Each business division is responsible for solving social issues through its business activities.

Overview of Sustainability Management Promotion System
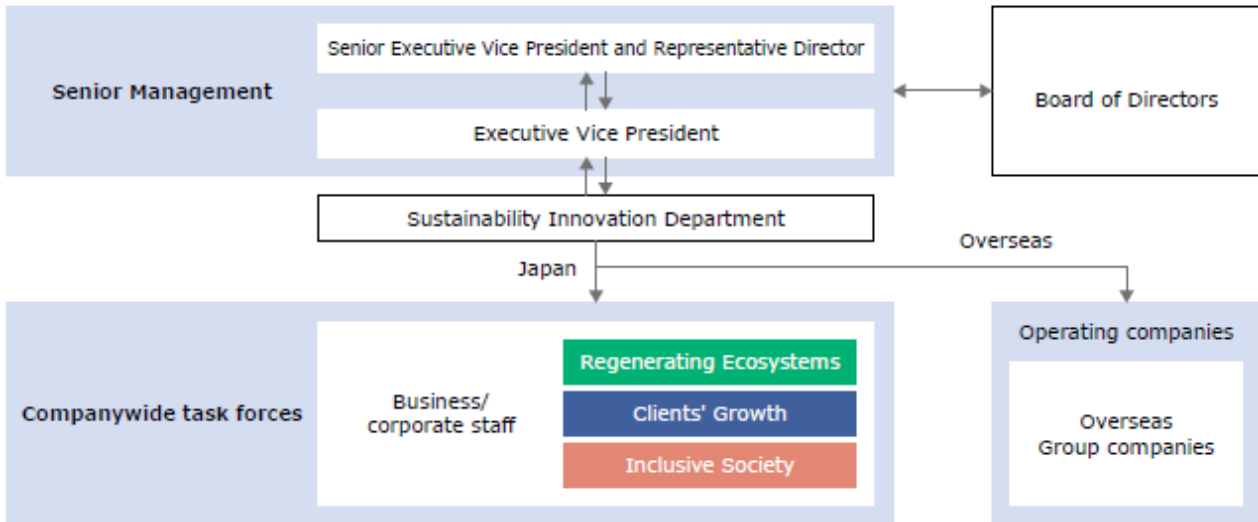
Nine Material Issues and Identification Process for Achieving a Sustainable Society

◆ Nine Material Issues

Under the three axes of "Regenerating Ecosystems," "Clients' Growth," and "Inclusive Society," we set three material issues for each of them and discussed contributions to the SDGs.

Environment
Regenerating Ecosystems
Preserving the global environment for the future

Carbon Neutrality
Contribute to solving climate change issues by creating innovations to decarbonize society and clients.

Circular Economy
Reduce waste and create a society where the value of products and services continues to circulate.

Nature Conservation
Generate sound global environment and contribute to people's well-being by conserving and recovering nature capital.

Economy
Clients' Growth
Companies achieving growth in ways that support a sustainable society

Smart X Co-innovation
Create new value through co-creation with various companies to achieve a smart and innovative society.

Trusted Value Chain
Uphold data privacy and security to ensure safe, secure and resilient corporate activities.

Future of Work
New ways of working that enhance employee experience and performance. Provide and promote work style reforms for society as a whole.

Society
Inclusive Society
Achieving a society where everyone can live healthy and happy lives

Human Rights&DEI
Work to create an equitable society where a diverse range of people thrive and respect each other's human rights.

Digital Accessibility
Deliver services that provide everyone with equal access to basic needs and improve people's quality of life.

Community Engagement
Understand the challenges and needs for the development of local communities and provide services that enrich people's lives.

◆ **Materiality Identification Process**

Based on changes in the external environment surrounding sustainability, such as trends in the international community and expectations from stakeholders, the Group periodically reviews its materiality in accordance with the materiality identification process set forth in the GRI, a global guideline.

Under the slogan "Realizing a Sustainable Future," the current materiality was defined in the New Medium-Term Management Plan (2022–2025) announced in 2022. Three axes were defined, and for each axis three important issues to be addressed in promoting sustainable management were identified.

NTT DATA Technology Foresight's list of social issues was the starting point for the selection of the previous materiality. However, the new materiality has been evaluated and verified by extracting issues from global standards organizations, etc. In the materiality assessment at the Company, the expectations and risks from society (stakeholders), as well as the magnitude of their impact, have been extensively examined across the entire company, including operating divisions and the Group companies outside Japan. Based on the opinions of global NGOs and external experts, nine material issues have been set by the Board of Directors.
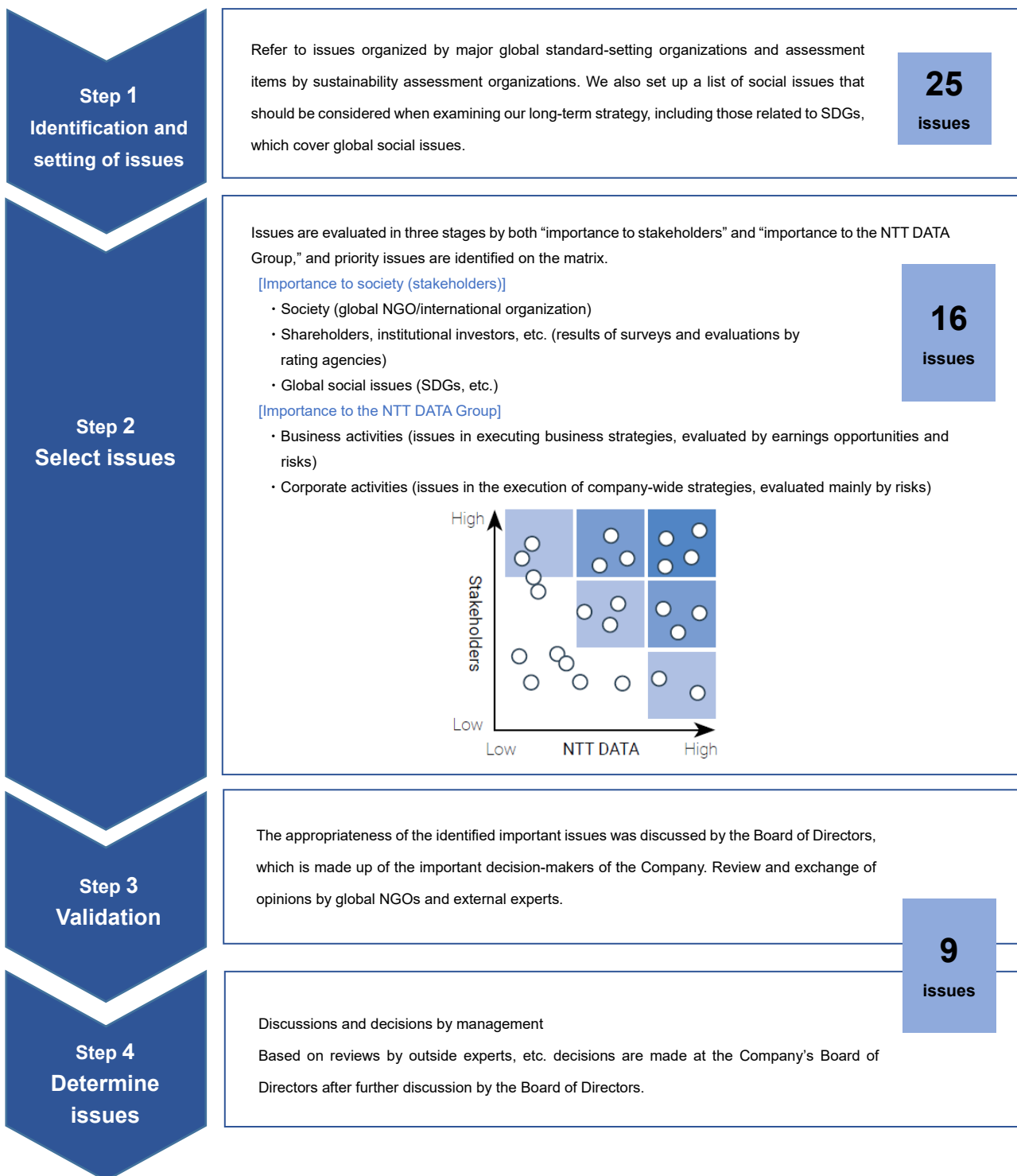
Step 1 **Identification and setting of issues**	Refer to issues organized by major global standard-setting organizations and assessment items by sustainability assessment organizations. We also set up a list of social issues that should be considered when examining our long-term strategy, including those related to SDGs, which cover global social issues.	**25** **issues**
Step 2 **Select issues**	Issues are evaluated in three stages by both "importance to stakeholders" and "importance to the NTT DATA Group," and priority issues are identified on the matrix. [Importance to society (stakeholders)] ・Society (global NGO/international organization) ・Shareholders, institutional investors, etc. (results of surveys and evaluations by rating agencies) ・Global social issues (SDGs, etc.) [Importance to the NTT DATA Group] ・Business activities (issues in executing business strategies, evaluated by earnings opportunities and risks) ・Corporate activities (issues in the execution of company-wide strategies, evaluated mainly by risks)	**16** **issues**
Step 3 **Validation**	The appropriateness of the identified important issues was discussed by the Board of Directors, which is made up of the important decision-makers of the Company. Review and exchange of opinions by global NGOs and external experts.	**9** **issues**
Step 4 **Determine issues**	Discussions and decisions by management Based on reviews by outside experts, etc. decisions are made at the Company's Board of Directors after further discussion by the Board of Directors.	

We received opinions from the following two outside experts in the materiality identification process.

Chairman of TRANSAGENT, Representative Director of NPO NELIS, Professor at Shizenkan University Graduate School of Leadership & Innovation, Outside Director of Marui Group Co., Ltd., and Outside Director of Meiji Holdings Co., Ltd.

Peter D. Pedersen

If we look at the global society, not only is there a mountain of sustainability issues but also their impact is increasingly apparent. The scars of abnormal weather caused by the climate crisis can be seen not only in Japan but also in Europe (in 2022, a drought that is said to be the worst in 500 years), Asia (in Pakistan, a massive flood affecting the lives of 33 million people), North America (frequent wildfires), and Africa (in Somalia, drought and severe food shortages). We are being called on for a strong sense of crisis and action. There is no time to lose.

Under such circumstances, NTT DATA's new Sustainability Vision, three priority areas and nine material issues, was not only timely but also meaningful in that the formulation process involved a wide range of people within the company. As one of the external stakeholders, I participated in the process of formulating the plan, but I felt the determination to become a "sustainability innovation practitioner" in a way that takes full advantage of NTT DATA's strengths, going beyond the mere formality of the outline.

The three pillars of the Company's activities—"preserving the global environment for the future," "companies achieving growth in ways that support a sustainable society," and "achieving a society where everyone can live healthy and happy lives"—and above all, the nine specific material issues that lie beneath them represent extraordinary resolutions to society and customers. From now on, I hope that the sustainability department, corporate functions, and business divisions will work together to realize a trade-on between business and society. It is no longer the time to worry about internal boundaries. It is time to give up the meaningless question of whether addressing social issues will lead to profits. It only makes sense to discuss how to connect them.

Along with the Sustainability Vision, the Company is strengthening its global management structure. To differentiate itself as an IT vendor or a knowledge-creating company in the global market, and to become one of the top global companies, strategic approaches to sustainability have become one of the keys.

Certified Public Accountant
Representative Director of Sustainable Value Advisory Co., Ltd.

Masataka Mitsuhashi

Six months have passed since the invasion of Ukraine by Russia. The confrontation between the democratic camps of the West and the authoritarian camps of China and Russia has created a division in the world. Rising prices of natural gas and crude oil and disruptions in global supply chains have caused prices of food and other essential commodities to rise, widening the gap between rich and poor. Indeed, the world is losing its sustainability, and the effects of corporate SDGs and sustainability activities will likely disappear. Under these difficult circumstances, the NTT DATA Group established its corporate philosophy and vision of "using information technology to create new paradigms and values to help build a more affluent and harmonious society." Based on this vision, it has established the three axes of economy, society, and environment and has established nine material issues. Among them, "Digital Accessibility" is typical of the NTT DATA Group and is expected to create an impact in solving a wide range of social issues that will lead to future generations, with "IT education" as its core. In the NTT DATA Group, corporate activities and sustainability activities have been carried out separately. In the future, sustainability activities will be incorporated into management itself, and it is expected that businesses will grow to realize a sustainable society and gain a competitive advantage. We believe that the establishment of outcomes for non-financial indicators on a consolidated global basis will be an important approach to sustainable management. Under a severe economic environment, many resources and activities will be concentrated on improving short-term performance, and the perspective of improving long-term corporate value will disappear. The NTT DATA Group believes that such a situation will not arise if sustainability activities are incorporated into management itself. I strongly hope that all employees will ask themselves why they are engaged in IT operations and convey to as many stakeholders as possible the essence of the NTT DATA Group to realize the corporate philosophy and vision. I am confident of a bright future ahead.

Nine Material Issues and KPIs

Materiality		Common	Indicator	Company-wide targets for fiscal 2022
Environment ————— **Regenerating Ecosystems**	Carbon Neutrality Contribute to solving climate change issues by creating innovations to decarbonize society and clients.	Number of sustainability-related offerings	CO_2 emissions[1]	Please see page 23 for medium-to long-term targets.
			Promotion of EV for household use	Not disclosed
	Circular Economy Reduce waste and create a society where the value of products and services continues to circulate.		Waste recycling rate	More than 99% of general /office waste More than 87% of construction waste (FY2022)
	Nature Conservation Generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital.		Number of participants in environmental conservation initiatives	More than 5,000 participants (FY2022)
			Paper consumption	25% reduction fromFY2020 (FY2022)
Economy ————— **Clients' Growth**	Smart X Co-innovation Create new value through co-creation with various companies to achieve a smart and innovative society.		B2B2X revenue	Not disclosed
	Trusted Value Chain Uphold data privacy and security to ensure safe, secure, and resilient corporate activities.		Number of cyberattacks and service outages	0 (FY2022)
			Number of serious personal data loss cases	0 (FY2022)
			Number of security incidents	0 (FY2022)
			Number of long-term failures	Not disclosed
			Rate of Ethics Code Training[1]	100% (FY2022)
			Number of anti-competitive/ bribery violations	0 (FY2022)
			Rate of direct communication with key suppliers	100% (FY2022)
	Future of Work New ways of working that enhance employee experience and performance. Provide and promote work-style reforms for society as a whole.		Remote work rate	70% (FY2022)[2]
			Employee satisfaction	Not disclosed
			Turnover rate	Not disclosed
Society ————— **Inclusive Society**	Human Rights & DEI Work to create an equitable society where a diverse range of people thrive and respect each other's human rights.		Ratio of newly appointed female managers	30% (FY2022)
			Ratio of female managers	15% (by FY2025)
			Ratio of female directors	25% (by FY2025)
			External hiring rate	30% (FY2022)
			Rate of training on human rights and DEI	100% (FY2022)
			Confirmed violations of human rights	0 (FY2022)
	Digital Accessibility Deliver services that provide everyone with equal access to basic needs and improve people's quality of life.		Information dissemination to improve diversity	More than 52 cases (FY2022)
	Community Engagement Understand the challenges and needs for the development of local communities and provide services that enrich people's lives.		Number of participants in social contribution activities[1]	23,000 participants (FY2022)

* 1 Including overseas Group companies
* 2 Monitoring indicators

➤ **(Reference) FY2021 KPIs and Performance for Material ESG Issues**

In FY2021, we pursued KPI targets set by each organization based on our concepts for ESG management, namely "Contributing to society and increasing corporate value through business" and "Contributing to society and increasing corporate value through corporate activities."

Category	Material ESG Issues	FY2021 KPIs	FY2021 Performance	
Business (Innovation)	❶ Offer social infrastructure and business category–specific solutions based on advanced technologies	• The number of new consumer-oriented business proposals and projects • The number and amounts of digital business orders • Sales of technology offerings	◯	• Target accomplished[1] • Target surpassed[1] • Target surpassed[1]
	❷ Build and ensure stable management/operation of IT infrastructure	• The number of efficiency improvement measures implemented digital tools in existing businesses • Application rate of standardizations to critical projects	◎	• Target surpassed[1] • Target surpassed[1]
Human Resources	❸ Secure and develop IT human resources	• The number of specialized human resources capable of leading frontline operations • The number of hours spent on self-innovation • The number of seminars based on themes for addressing material ESG issues • Establishment and increase in usage of training platforms for promoting autonomous learning • The number of specified skilled workers hired	◯	• Target surpassed[1] • Target surpassed[1] • Target accomplished[1] • Target surpassed[1] • Target surpassed[1]
	❹ Promote diversity and inclusion	• Improvement in score of One Voice (employee engagement survey) • Increase the ratio of female employee to 30% or more, the number of female executives to at least 15 the ratio of female managers to 10%, and the ratio of male employees taking childcare leave to 30%[3] by March 31, 2026	◯	• Target surpassed[1] • Female employment rate of 35%, 11 female managers, ratio of female managers of 7.5%, and rate of childcare leave acquisition by male employees of 30% (as of July 2022)
	❺ Promote work-style innovation	• The number of orders received for projects that contribute to workstyle innovation for clients (promote remote working, etc.) • Improvement in workstyles via teleworking • Number of ESG initiative examples transmitted to employees via Digital Work Place	◯	• Target surpassed[1] • Target accomplished[1] • Target surpassed[1]
Security	❻ Ensure information security ❼ Protect data privacy	• The number of individuals undergoing cybersecurity human resource training • Expansion of coverage of information security audits	◎	• Target surpassed[1] • Target surpassed[1]
Environment	❽ Respond to climate change	• Social decarbonization initiatives (tracking and prediction of electricity consumption volumes) • The number of online webinar programs to expand green businesses • The number of initiatives conducted in FY2021 based on climate change action plan for 2030	◯	• Target accomplished[1] • Target surpassed[1] • Target surpassed[1]
Community	❾ Promote IT education	• The number of external IT workshops held and IT workshop instructors cultivated through NTT DATA Academia program • External information provision activities by core digital human resources	◎	• Target surpassed[1] (Held 66 times/ Trained 78 people) • Target surpassed[1]
Disaster Risk	❿ Respond to disaster risks	• The number of business ideas proposed for addressing climate change issues or disaster risks • BCP drills held based on work environment centered on teleworking	◯	• Target accomplished[1] • Target accomplished[1]
Compliance	⓫ Ensure compliance	• The number of cases of utilizing insightsand know-how (digital audits, online audits, etc.)	◯	• Target accomplished[1]
Supply Chain	⓬ Promote a responsible supply chain	• Ratio of Group companies implementing bribery risk assessment based on the NTT DATA Group Third-Party Due Diligence Policy	◯	• Target accomplished (100%)
Common to ❶–⓬		N/A (target accomplished in FY2020)	—	

◎ Target surpassed (rate of accomplishment: 100% or more)
◯ Target accomplished/Target generally accomplished (rate of accomplishment: 80%–100%)
△ Target not accomplished (rate of accomplishment: 0%–79%)

1. Figures not disclosed
2. Targets established and disclosed in the general employer action plan for promoting active participation of women (as opposed to organization-specific KPI targets)

Dialogue with Stakeholders

	Stakeholders	Nine Related Material Issues	Main Approach
Clients	All our clients, including corporations, that use services provided by the NTT DATA Group	Nine material issues	• Regular sales and proposal activities • Client satisfaction surveys (questionnaires, interviews) • Workshops on addressing social issues
Shareholders and investors	Shareholders of the NTT DATA Group and other individual and institutional investors	・Smart X Co-Innovation ・Future of Work ・Digital Accessibility ・Carbon Neutrality	• Annual General Meeting of Shareholders • Dialogue with ESG investors • Integrated reports • Investor relations (IR) website • Financial results briefings • Shareholder newsletters
Governments	Central and local governments overseeing policies on the IT service industry, employment, the economy, and the environment	・Smart X Co-Innovation ・Trusted Value Chain ・Future of Work ・Human Rights & DEI ・Digital Accessibility ・Carbon Neutrality	• Various applications and reports • Consultative meetings, committee meetings, and research committees held by government agencies • Committee meetings and investigative meetings held by industry groups and organizations
Regional communities, NPOs, and NGOs	Local communities and NPOs involved with the NTT DATA Group companies through our core businesses	・Carbon Neutrality ・Trusted Value Chain ・Future of Work ・Human Rights & DEI ・Community Engagement	• Participation in community events • Collaboration with/sponsoring of social contribution activities • Feedback via our website • Advisory boards • AI Advisory Board
Business partners	Business partners that cooperate in providing the NTT DATA Group services	・Smart X Co-Innovation ・Trusted Value Chain ・Digital Accessibility	• Strategic collaboration for promoting clients' digital transformation • Regular business activities • Business Partner (BP) presidents' meetings • Discussion meetings • Technological briefing sessions • CSR questionnaires
Employees	Employees of the NTT DATA Group and their families	・Future of Work ・Human Rights & DEI ・Digital Accessibility ・Community Engagement	• Employee satisfaction surveys • Management/employee town halls • Proposals/helpline • Counseling • E-learning (online sustainability management briefings)

The NTT DATA Group emphasizes dialogue in daily operations and instills within the Group its commitment to stakeholders. At the same time, we work to resolve social issues while considering society's wide-ranging expectations of us.

Advice from Outside Experts

Seeking to obtain opinions regarding our contribution to the realization of a sustainable society from outside experts with keen insights into IT and global business matters, in July 2012 the NTT DATA Group set up an advisory board consisting of five business owners and academic experts. Members are appointed every few years and meetings are held twice a year, where members receive advice in the advisory board on management and social issues for deployment in Group's business operations.

▢ https://www.nttdata.com/jp/ja/news/rel ease/2022/031400/ (Japanese version only)

Period	4th period	5th period
Term	From February 2019	From April 2022
Frequency of Meetings	Twice a year	

Advisory Board Members (Honorific titles omitted, in alphabetical order)	• Shinichiro Ito
	   Chairman of the Board, ANA Holdings Inc.
	• Naoyuki Iwashita
	   Professor, Graduate School of Government,
	   Kyoto University
	• Isao Endo
	   Chairman (Japan), Roland Berger Ltd.
	• Kazuhiro Mishina
	   Professor, Graduate School of Business
	   Administration, Kobe University
	• Atsuko Muraki
	   Guest Professor, Tsuda University
		• Yuri Okina
		   Chairman of the Japan Research Institute,
		   Limited
		• Ken Kusunoki
		   Professor of Hitotsubashi Business School
		• Tamotsu Saito
		   Advisor of IHI Corporation
		• Tetsuro Tomita
		   Chairman of the Board of Directors of East Japan
		   Railway Co., Ltd.
		• Kumi Fujisawa
		   Chairman of the International Institution of Social
		   and Economic Research (IISE)

Agenda for Discussion	• Issues in the previous Medium-Term Management
	   Plan
	• Dissemination and penetration of the New Medium-
	   Term Management Plan
	• Promoting ESG management (e.g., work-style
	   innovation)
	• Initiatives for digital government
	• Initiatives aimed at realizing an ideal new society
	• Direction of the next Medium-Term Management
	   Plan
		• Social change through our initiative
		• Role of Global Headquarters for further growth

Note: Titles of the members are based on the information in the press release announcing the selection of the members.

Commitment to Initiatives

The NTT DATA Group actively participates in various initiatives in Japan and overseas, including those listed below.

Axis of Our Sustainability Management	Outside Initiatives
Sustainability management in general	・Japan Business Federation "Charter of Corporate Behavior": 2017 (5th revision) ・United Nations Global Compact: 2022
Environment Regenerating Ecosystems	・TCFD: Task Force on Climate-related Financial Disclosures: 2021 ・Science Based Targets initiative (SBTi): 2021 ・Business Ambition for 1.5°C: 2021 ・CDP Supply Chain Program: 2021 　(premium member starting from 2022) ・MoEJ Initiative for Decarbonized Infrastructure: 2019 ・Challenge Zero (Challenge Net Zero Carbon Innovation): 2021 ・JCI: Japan Climate Initiative: 2019
Society Inclusive Society	・Women's Empowerment Principles (WEPs): 2019

Participation in Outside Organizations

The NTT DATA Group participates in outside organizations, including those listed below, to share information on social and environmental issues and engage in discussions.

・UN Women
・UN Race to Zero
・Japan Business Federation
・Japan Association of Corporate Executives
・Japan Data Communications Association (Board member)
・The Telecommunications Association
・Japan Electronic Payment Promotion Organization (Chair)
・Green Software Foundation
・ESTAINIUM Association

Third-Party Evaluations (as of October 2022)

The NTT DATA Group's sustainability initiatives have been highly rated by research agencies, and the Company has been selected for inclusion in multiple indexes.

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability
World Index/
Asia Pacific Index

FTSE4Good

FTSE4Good Index
Series

FTSE Blossom
Japan

FTSE4 Blossom Japan

S&P/JPX
Carbon
Efficient
Index

S&P/JPX
Carbon Efficient Index

Corporate ESG
Performance
Prime
RATED BY
ISS ESG▷

ISS ESG Prime

Sustainability Award
Silver Class 2022
S&P Global

S&P Global Sustainability Award

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index*

SILVER
2021
ecovadis
Sustainability
Rating

Sustainability Assessment of
Suppliers (EcoVadis)

CDP
GOLD
ACCREDITED
PROVIDER 2022

CDP GOLD ACCREDITED
PROVIDER

CDP
DISCLOSER
2021

CDP Climate Change
A score

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The NTT Group's Basic Policy

The NTT Group Sustainability Charter

In November 2021, the NTT Group established the NTT Group Sustainability Charter with the aim of simultaneously achieving growth as a company and solving social issues by restructuring the existing CSR Charter as a broader concept encompassing SDGs, ESG, CSV, etc.

The Sustainability Charter sets out nine challenges and 30 activities for three themes to realize a sustainable society and promotes various initiatives.

- Establishing and thoroughly complying with ethical standards
- Appropriately managing conduct risk
- Thoroughly reinforcing corporate governance and compliance
- Sharing high ethical standards with business partners
- Promoting the B2B2X model
- Protection and respect for intellectual property
- Contribution to the revitalization of local communities and economies
- Ensuring the stability and reliability of services
- Strengthening information security and personal information protection
- Promoting a decentralized society based on remote work

- Promoting energy conservation
- Reducing power consumption by introducing IOWN technologies
- Developing and expanding the use of renewable energy
- Providing new services that contribute to carbon neutrality
- Creating innovative environmental and energy technologies
- Increasing the reuse and recycling of communications equipment, mobile terminals, and other technologies
- Reduction in plastics use and promotion of recycling
- Proper treatment, storage and management of hazardous waste
- Appropriate and efficient management of water resources
- Thoroughly implementing environmental assessment
- Contributing to natural ecosystem conservation

- Compliance with the NTT Group Global Human Rights Policy
- Encouraging society as a whole to respect human rights
- Promoting recruitment, training, and education of diverse human resources and women's advancement in the workplace
- Encouraging of understanding of LGBTQ and promoting the advancement of disabled people
- Support for balancing work and life such as childcare and nursing care
- Promoting remote work and other workplace models
- Achieving zero fatal accidents as well as maintaining and promoting employee health
- Supporting autonomous capacity development
- Promoting paperless operations

Promoting a Sense of Unity in the NTT Group

In fiscal 2015, the NTT Group established its Group Sustainability Committee to implement sustainability management across the Group. The committee is chaired by an NTT's vice president and consists of the chief sustainability officers (vice presidents and managing directors) of the eight major NTT Group companies. Group Sustainability Liaison Meetings, attended by sustainability promotion officers of NTT Group companies, are held regularly to promote a sense of unity across the Group. At those meetings, participants share common challenges and success stories from each company and mutually confirm the PDCA cycle implementation status for priority sustainability activities.

Spreading Sustainability Awareness

Since fiscal 2013, the NTT Group has convened its annual NTT Group Sustainability Conference (formerly NTT Group CSR Conference), aimed at instilling employees' awareness of sustainability by sharing sustainability-related best practices across the Group. The NTT DATA Group participates in the conference every year.

Environment

Regenerating Ecosystems

Contents

Preserving the Global Environment for the Future

Relevant Materiality and KPIs

As clearly stated in the NTT DATA Group Code of Conduct, the NTT DATA Group will fulfill its role to address global environmental issues through its business and corporate activities for the benefit of all people and future generations. To this end, we have identified and are working on three material issues: Carbon Neutrality (contribute to solving climate change issues by creating innovations to decarbonize society and clients), Circular Economy (reduce waste and create a society where the value of products and services continues to circulate), and Nature Conservation (generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital).

Carbon Neutrality — Contribute to solving climate change issues by creating innovations to decarbonize society and clients

As the global society transitions toward decarbonization, it is imperative for companies to take the lead in addressing their own climate change issues and decarbonizing society. In addition to reducing greenhouse gas emissions through our own supply chain, we will promote innovation to support clients to achieve carbon neutrality and strengthen their resilience to abnormal weather events through digital technology and co-creation with clients, and contribute to the achievement of society's carbon neutrality.

Circular Economy — Reduce waste and create a society where the value of products and services continues to circulate

We are using finite resources and generating waste in our economic activities. We need to separate economic activities from resource consumption and shift to a circular economy to realize a sustainable society and environment. In addition to our own initiatives, which include reusing and recycling used PCs and donating unneeded emergency rations, we aim to realize a society that produces no waste and ensures that resources can be used and recycled sustainably through our support to clients using blockchain, AI, IoT, and other technologies.

Nature Conservation — Generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital

We are losing our natural capital at a rapid pace due to land-use changes associated with economic and social development, as well as pollution, climate change, and the invasion of non-native species. To conserve and sustainably use natural capital, we need to understand the relationship between economic, social, and corporate activities, plus natural capital, and take appropriate measures accordingly. We will promote a nature-positive approach throughout society by promoting initiatives that protect the natural capital associated with our company and by providing our clients with business support that utilizes our digital technologies.

[Reference page] Nine Material Issues and KPIs

Basic Policy and Management System

The NTT DATA Group aims to realize a sustainable society together with its clients by creating value for the future and connecting various people with technologies. We are pursuing initiatives based on three axes—environment, economy, and society—to realize a sustainable society. With respect to the environment, we are steadily promoting environmental conservation activities based on the following policies.

Environmental Policies of the NTT DATA Group

We believe that, given the increasingly serious nature of global environmental problems, we must address these as management issues and work toward contributions that resolve the environmental problems facing the world and society.

The NTT DATA Group, which applies IT to create new paradigms, contributes to environmental protection by providing systems and solutions that can replace or alleviate the need for the actual movement of people and goods. At the same time, recognizing the major impact of business activities on the environment, we are promoting an ongoing and planned approach to environmental protection to realize a society that is in harmony with the earth but enjoys the abundance of modern life.

1. Environmental Considerations in Conducting Business
   The NTT DATA Group is working to lessen the environmental impact of its business activities, setting quantitative goals and targets to the extent possible, and reviewing these periodically as part of an ongoing betterment program.
   (1) We are promoting environmentally responsible system development.
   (2) We are actively carrying out green purchasing.
   (3) We are working to prevent pollution and limit resource use by implementing policies for saving resources and energy, promoting reuse and recycling, and reducing waste.
2. Meeting Legal Obligations
   In carrying out business activities, we observe all applicable environment-related laws and other agreements and obligations.
3. Raising Awareness
   Through environmental education and environmental and social contribution activities for our employees and partners, we are enhancing and boosting recognition of environmental awareness activities.
4. Promoting Communications
   We work proactively to promote environmental communications to stakeholders both within and outside the NTT DATA Group.

June 2018
Yo Honma,
President and Chief Executive Officer

Notes:

1. The final approval of this policy is made by the Representative Director, President, and Chief Executive Officer. This Officer is a Chairperson of the Board.
2. These policies cover all business activities, investment due diligence, and mergers and acquisitions of the NTT DATA Group. We will also encourage our suppliers, distributors, logistics, waste disposal companies, and business partners to support the policies through our supply chain.

Management System

In 2020, we established the cross-lateral Climate Action Committee to formulate and implement medium- to long-term strategies to address climate change issues. Chaired by the Representative Director and Senior Executive Vice President, who also serves as Chief Risk Officer (CRO), the committee has the ultimate responsibility for initiatives related to climate change. In 2021, we established the cross-lateral Green Innovation Office to formulate strategies, evaluate risks and opportunities, and manage targets for climate change.

The chair of the committee is responsible for monitoring the deployment of renewable energy and promoting actions across the supply chain. Every six months, he reviews the results of greenhouse gas (GHG) emission reduction actions and makes policy decisions accordingly. As CRO, he also manages risks related to climate change as a part of company-wide risk management. In fiscal 2021, he made decisions on a plan for the introduction of renewable energy by fiscal 2030, becoming a CDP Gold Accredited Solutions Provider ("Climate Change Consultancy" and "Software") and joining the CDP Supply Chain Program as a Premium member to strengthen collaboration with global climate change initiatives, as well as the establishment of a task force to promote behavioral change among employees. Based on the results of these decisions, the Board of Directors decided to refine the NTT DATA Carbon-neutral Vision 2050.

From fiscal 2022, climate change responses will account for 20% of the medium- to long-term performance-linked compensation of executives. Twenty percent of financial compensation will depend on the level of achievement of Scope 1 and 2 CO_2 emission reduction targets compared with fiscal 2020, and thus we are working to deepen the involvement of employees and management in achieving our targets. In addition, we have visualized our GHG emission levels and internal carbon price (¥6,500/t-CO_2) by Scope 1, 2, and 3 for each organization using dashboard and other tools. We have also set KPIs to promote green initiatives, including specific CO_2 reduction activities that reflect each organization's mission. In these ways, we are promoting activities across the entire Group.

➢ **Climate Change Management System**
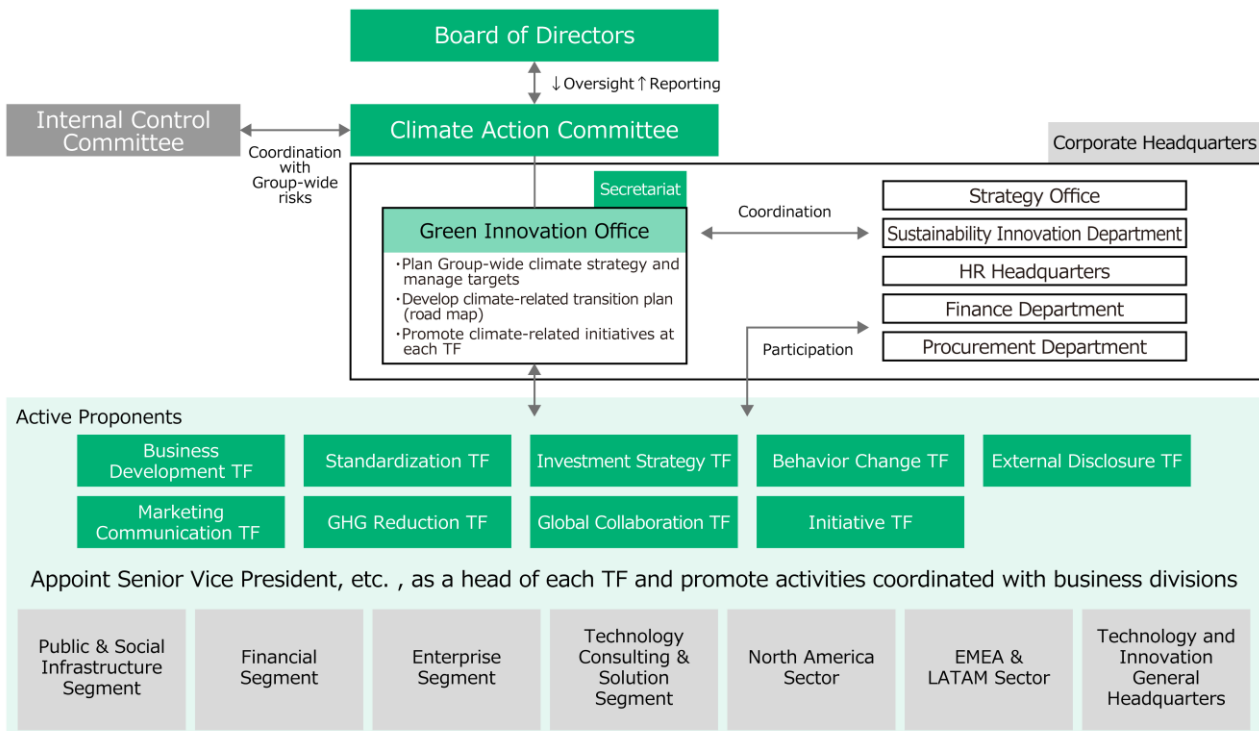
Carbon Neutrality

Contribute to solving climate change issues by creating innovations to decarbonize society and clients

Achieving Net-Zero Greenhouse Gas Emissions by 2050

In 2022, the NTT DATA Group announced a new long-term goal of achieving net-zero emissions by 2050. To this end, we will not only reduce GHG emissions through our own supply chain but also contribute to the greening of our clients and society through "green innovation." Our aim is to achieve carbon neutrality (Scope 1 and 2) by 2040 and net zero (Scope 1, 2, and 3) by 2050.

The NTT DATA Group has been working to address climate change issues by setting and pursuing medium- to long-term targets. In June 2020, we obtained certification under the Science-Based Targets initiative (SBTi) for the Group's GHG emission reduction targets: 60% reduction by fiscal 2030 for Scope 1 and 2 (1.5°C target) and 55% reduction by fiscal 2030 for Scope 3 (both compared with fiscal 2016 levels).

In March 2021, we signed up for "Business Ambition for 1.5°C" with the goal of reducing greenhouse gas emissions to virtually zero by 2050. We also formulated the NTT DATA Carbon-neutral Vision 2050, the Group's vision for addressing climate change. Based on this vision, we are pursuing initiatives in two areas—Contributing to the greening of our clients and society (Green Innovation by IT) and reducing greenhouse gas emissions through our own supply chain (Green Innovation of IT)—with the aim of becoming carbon neutral by 2050. In October 2021, following the publication of SBT's net-zero standard, we revised the NTT DATA Carbon-neutral Vision 2050 to incorporate our net-zero goal.

◆ "NTT DATA Carbon-neutral Vision 2050"
— Targeting Net-Zero GHG Emissions by 2050 —

We aim to achieve carbon neutrality (Scope 1 and 2) by 2040 and net zero (Scope 1, 2, and 3) by 2050, driving forward for a carbon neutrality society by 2050. Through collaboration with various stakeholders, including clients, supplier companies, the CDP, and the SBTi, we will contribute to a net-zero society while pursuing reductions of our own Scope 1, 2, and 3 GHG emissions.

➢ **NTT DATA Carbon-neutral Vision 2050**
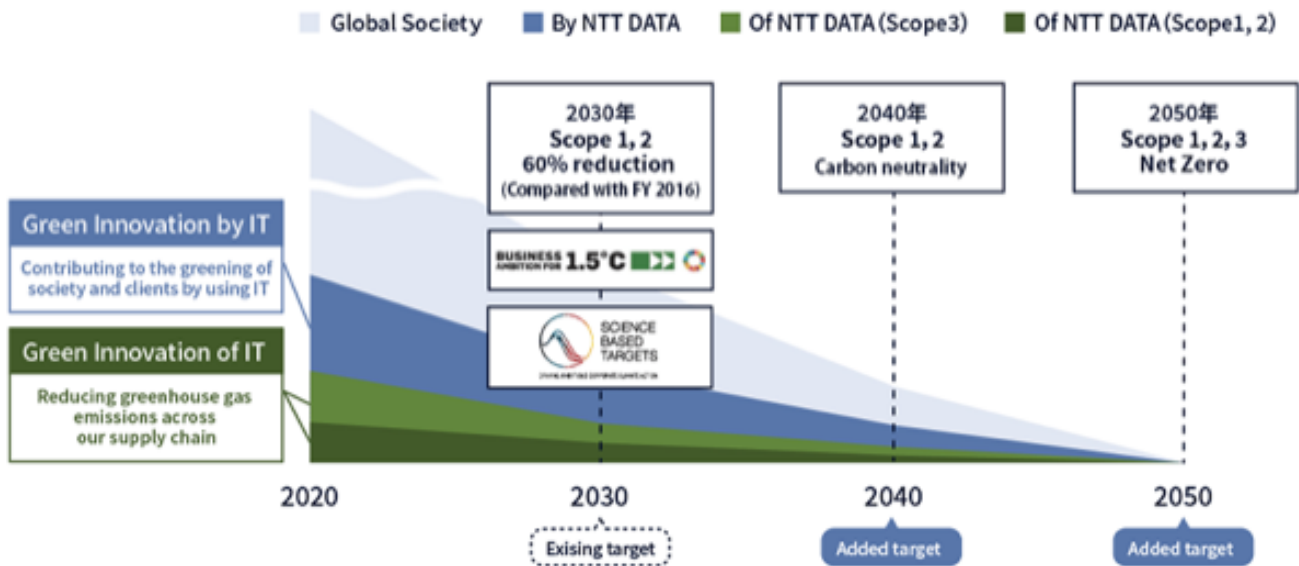
◆ **The NTT Group's Long-Term Vision: "NTT Green Innovation toward 2040"**

In September 2021, the NTT Group formulated its new environment and energy vision, "NTT Green Innovation toward 2040."
The vision aims to simultaneously achieve "zero environmental impact" and "economic growth" by "Reduction of Environmental
Impact through Business Activities" and "Creation of Breakthrough Innovation" to realize a well-being society. Based on this
vision, the NTT Group, including the NTT DATA Group, aims to achieve carbon neutrality by fiscal 2040.

Collaboration with Initiatives

To accelerate our response to climate change, we have strengthened our partnerships with various global initiatives. In March 2022, NTT DATA was recognized as Japan's first CDP Gold Accredited Solutions Provider (in the categories of "Climate Change Consultancy" and "Software") by the CDP, an international NGO. In April 2022, we became the first Japanese company to become a CDP Supply Chain Premium Member (highest level). In March 2021, we announced our endorsement of the TCFD recommendations. To this end, we are conducting analyses and assessments of climate-related risks and opportunities in line with the TCFD framework while examining countermeasures from a long-term perspective.

In addition, through our membership in the Green Software Foundation, we are promoting initiatives for software development with reduced environmental impact, and through the establishment of the Estainium Association, we are focusing on setting global standards by creating domestic and international rules around carbon tracing.

June 2020: Obtained certification for SBT 1.5°C target[1]
Obtained certification for our 1.5°C target (Scope 1 and 2) from the SBT initiative (SBTi), an international framework.

March 2021: Endorsed TCFD[2] recommendations
Positioning climate change response as a key management issue, we promote transparency of company-wide activities and external activities.

March 2021: Declared Our Business Ambition for 1.5°C
Became the 12th company in Japan to endorse SBT's Business Ambition for 1.5°C and to have already received SBT 1.5°C certification.

March 2021: Joined the Race to Zero Circle
Through Business Ambition for 1.5°C, we joined the JCI Race to Zero Circle, organized by the Japan Climate Initiative.

May 2021: Joined the Green Software Foundation
Joined as the Foundation's sixth Steering Member, promoting green software globally.

October 2021: Joined Green × Digital Consortium (hosted by JEITA)
Joined the Consortium's "Visualization Working Group"[3] and "Working Group for the Early Realization of VPPAs."[4]

March 2022: Became a CDP Gold Accredited Solutions Provider
Obtained accreditation in the categories of "Climate Change Consultancy" and "Software" (20th company in the world to receive accreditation).

April 2022: Became a CDP Supply Chain Premium Member
Working with the CDP globally to promote net-zero activities in the supply chain (fifth company in the world to become a premium member).

June 2022: Established Estainium Association (nonprofit organization)
Established together with 14 affiliated companies, organizations, and academic institutions, with the aim of creating a secure and open platform for GHG emissions data among companies in the supply chain.

*1 Science-based target (SBT) aimed at limiting the increase in global average temperature to 1.5°C above pre-industrial levels.

*2 Task Force on Climate-related Financial Disclosures (TCFD): This privately led task force focuses on the disclosure of climate-related financial information and was established under the Financial Stability Board at the request of G20 finance ministers and central bank governors.

*3 Working group tasked with building a platform to address demand for decarbonization of the entire supply chain in collaboration with the World Business Council for Sustainable Development (WBCSD) and other global initiatives.

*4 Working group tasked with making recommendations for expanding renewable energy procurement methods in Japan.

Information Disclosure Based on the TCFD

◆ Information Disclosure Section According to the TCFD Recommendations

Disclosed information based on the TCFD recommendations is as follows:

Recommendations	Disclosure Section (Page)
[Governance] Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	Management System (p. 22)
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management System (p. 22)
[Strategy] Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Risks and Opportunities (p. 28–34)
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Impact on Business Strategy (p. 27)
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2˚C or lower scenario.	Climate Change Scenario Analysis (p. 35–37)
[Risk Management] Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Risks and Opportunities (p. 28–34)
b) Describe the organization's processes for managing climate-related risks.	Risks and Opportunities (p. 28–34)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Prioritization of Risks (p. 26–27)
[Metrics and Targets] Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Prioritization of Risks (p. 26–27)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	GHG Emissions in the Value Chain (p. 56)
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) (p. 38)

◆ Prioritization of Risks

The Internal Control Promotion Committee, chaired by the Representative Director and Senior Executive Vice President, who also serves as CRO, meets twice a year to define key financial or strategic risks to the Group's business operations.

In selecting material risks, we classified more than 50 nominated risks using a matrix consisting of two axes: magnitude of impact (high, medium, low) and likelihood of occurrence (high, medium, low). Material risks are defined as those with a magnitude of impact that is "high" and a likelihood of occurrence that is "medium" and above, and those with a magnitude of impact that is "medium" and above and a likelihood of occurrence that is "high." In fiscal 2021, we submitted this matrix to the Board of Directors, which subsequently defined climate change as a material risk.

Using scenario analysis, we also make climate-related assessments of opportunities, as well as risks. Climate-related risks and opportunities must be assessed from a longer-term perspective than other material risks. In addition to assessments by the Internal Control Promotion Committee, therefore, our Climate Action Committee and Eco Activity Promotion Committee conduct assessments from medium- to long-term perspectives.

Our assessments of climate-related risks and opportunities consider short-, medium-, and long-term time horizons. We also classify financial impact (four levels: high, medium–high, medium, and low) and likelihood of occurrence (four levels: virtually certain, very likely, likely, and unlikely).

Notes:

1. Definitions of financial impact

   High: Impact on net sales of ¥100 billion or more, operating income of ¥10 billion or more, or market capitalization of ¥10 billion or more

   Medium–high: Impact on net sales of ¥10 billion or more–less than ¥100 billion, operating income of ¥1 billion or more–less than ¥10 billion, or market capitalization of ¥1 billion or more–less than ¥10 billion

   Medium: Impact on net sales of ¥1 billion or more–less than ¥10 billion, operating income of ¥100 million or more–less than ¥1 billion, or market capitalization of ¥100 million or more–less than ¥1 billion

   Low: Impact on net sales of less than ¥1 billion, operating income of less than ¥100 million, or market capitalization of less than ¥100 million

2. Definitions of time horizons

   Short term: FY2022–2025

   Medium term: FY2026–2030

   Long term: FY2031–2050

◆ Impact on Business Strategy

In assessing how climate-related risks and opportunities affect its business strategies, we consider four main factors shown below. Details of these factors are also represented in the subsequent description of climate-related risks and opportunities.

Area Impacted	Overview
Products and services	Under increasing social pressure to address climate change on a global scale, governments and companies in various industries are required to embrace innovations to mitigate and adapt to climate change. These include restructuring business operations, applying new technologies, and creating new mechanisms. Due to the nature of our client base, which includes government agencies that promote the TCFD and financial institutions that support the TCFD, we anticipate increased opportunities mainly in the following services. - Offering for new sustainability-related services and products - Consulting services for a sustainable society - Resilient cloud services
Supply chain	The risk of flooding due to typhoons and torrential rains, as well as power line breaks, lightning strikes, and power shortages due to surges in demand for electricity, could shut down the operations of us and/or our suppliers. In addition to lost revenue, such shutdowns could affect large-scale systems provided by us that support financial and medical services and other social infrastructure, which could pose a risk of serious damage to people's societal lives.
Technologies	Changing technologies and markets have led to increased opportunities to create and provide climate-related products and services. Accordingly, we are increasing R&D on cutting-edge technology and innovation promotion (in such areas as smart cities and AI technologies) and production technology innovation (including development of faster and higher-quality systems and establishment of cloud-computing infrastructure for digital transformation).
Operations	With the global society demanding net-zero emissions by 2050 and the legal and regulatory requirements for companies increasing, we expect carbon pricing to result in higher operational costs in the future. In the IT services industry, the use of digital technology to improve business efficiency will increase alongside growing demand for remote working arrangements due to COVID-19. As a result, energy use in our cloud computing and data centers will continue to increase unless we take proper countermeasures. Given the nature of our business, with around 90% of Scope 1 and 2 emissions coming from electricity use related to cloud computing and data centers, the continued use of fossil fuel-derived electricity could have a significant management impact. In such a case, we might be forced to procure power from renewable energy sources, which would increase power procurement costs and pose the risk of decline in business profit.

◆ Climate-Related Risks and Opportunities

Risks and Opportunities		Type	Outline	Time Horizon	Likelihood of Occurrence	Degree of Impact	Our Approach to Financial Impact	Financial Impact	Our Approach to Countermeasures	Countermeasure Costs (FY2022–25; cumulative)
Risk 1	Loss of reputation due to delayed responses	Transitional risk (Reputation)	Any delay in responding to investor requests for ESG information disclosure could lead to loss of reputation and a decline in share price.	Short term	Virtually certain	High	Delays in responding to climate change will result in lower evaluation by foreign ESG investors and domestic financial institutions. Our calculation is based on a 1% decline in market capitalization due to lower valuations from foreign investors and domestic financial institutions.	Market capitalization –¥34 billion	Establish the Green Innovation Office[1] as a dedicated organization to accelerate the NTT DATA Group's response to decarbonization and greening of clients and society through the supply chain; engage in activities spearheaded by the Climate Action Committee	¥5 billion
Risk 2	Data center shutdown due to abnormal weather	Physical risk (Acute)	Large typhoons, floods, heat waves, torrential rains, and other abnormal weather events increase the risk of data center operational shutdown due to power outages, flooding, and lightning strikes.	Short term	Virtually certain	Medium–high	We have locations in high-risk areas cited in the IPCC's Sixth Assessment Report and have taken various measures, including the creation of hazard maps, to ensure business continuity. Our calculation of impact on net sales is based on a five-day shutdown of major data centers located mainly in the Tokyo metropolitan area.	Net sales –¥13 billion	Maximize BCP for data centers, offices, telecommunications, etc.; allocate expenses for enhancing and renewing data centers, remote access, and maintenance environments, etc.	¥8 billion
Risk 3	Increase in costs due to carbon pricing (e.g., carbon tax)	Transitional risk (Regulatory)	To comply with the Paris Agreement, domestic regulations will be significantly tightened and the cost burden for CO_2 emissions will increase.	Long term	Virtually certain	Medium–high	The consensus across global society is that net-zero emissions must be achieved by 2050, and companies are facing growing calls to comply with corresponding laws and regulations. We calculate the estimated cost impact by multiplying remaining emissions (FY2022–2040) by the carbon price under the IEA's Net-Zero Emissions by 2050 Scenario. Note: FY2022–2040: –¥70 billion (cumulative)	FY2022–2025 –¥7 billion	Reduce carbon emissions through energy conservation and introduce renewable energy to decarbonize our own supply chain	¥5 billion
Opportunity 1	Increasing needs to create sustainability-related offerings	Increasing demand for our products and services	Increasing needs to create new offerings to address accelerating decarbonization efforts across society and business	Short term	Very likely	High	We anticipate accelerated decarbonization efforts by our clients, growth of sustainability-related businesses in various industries, and increasing opportunities for digital technology applications due to technological innovation. Our calculation assumes the impact on net sales of creating new sustainability-related offerings in fiscal 2025.	Net sales (FY2025) +¥200 billion	Invest to develop technologies and create sustainability-related offerings that contribute to climate change adaptation and mitigation for society as a whole and for individual companies	¥32 billion
Opportunity 2	Increasing demand of consulting service for sustainable future	Increasing demand for our products and services	Increasing opportunity to provide consulting services due to growth of sustainability-related businesses in industry	Short term	Very likely	Medium–high	We anticipate an increase in opportunities to provide consulting services due to growth in sustainability-related businesses in various industries. Our calculation is based on our assumption that sustainability-related consulting would account for a certain share of overall consulting sales.	Net sales (FY2025) +¥20 billion	Invest in measures to strengthen consulting, such as personnel development for sustainability-related consulting, and organizing environment for development.	¥4 billion
Opportunity 3	Increasing needs for resilient cloud services (e.g., carbon tax)	Increasing demand for our products and services	Increasing opportunity to provide resilient cloud services due to a growing number of large-scale disasters caused by extreme weather events	Short term	Very likely	High	In addition to increasing abnormal weather events, such as typhoons and localized torrential rains, there is growing demand for decarbonization efforts, including shared equipment use and consolidation to conserve energy, as well as the introduction of renewable energy. These factors underscore a growing need for resilient and low-carbon cloud computing services. Our calculation is based on our assumption of an increase in cloud-related sales for the entire Group.	Net sales (FY2025) +¥150 billion	Invest to develop cloud-related technologies, strengthen global delivery centers, and in other cloud-related areas	¥9 billion

[Time horizons] Short term: FY2022–2025; Medium term: FY2026–2030; Long term: FY2031–2050

*1 Effective from July 2022, the scope of initiatives has expanded as the Sustainability Management Department to facilitate a global integrated response to climate change.

◆ Transitional Risks (Reputational)

Increased demand from investors for companies to disclose information on climate change, a decrease in stock price due to declining valuations, and deterioration in market financing conditions can also be considered as climate-related risks.

Risk 1: Loss of reputation due to delayed responses		Time horizon: Short term
	Delays in responding to increasing requests for ESG information disclosure from investors might result in a loss of reputation and a consequent decline in our share price, as well as deterioration in fundraising conditions.	
Assumed business and financial impacts	There is increasing demand among investors for companies to disclose information related to climate change. If there is a delay in responding to such demand or our efforts to reduce GHG emissions are deemed insufficient, we face the risk of a falling reputation among investors, which might lead to declines in our stock price and deteriorating conditions for raising funds in the capital market. Foreign corporations account for 17.52% (as of March 31, 2022) of our share ownership, and foreign investors tend to be more active in ESG investing than Japanese domestic investors. Therefore, a decline in foreign investors' valuation of the Company might lead to a decline in our stock price and a fall in our corporate value. In addition, Japanese financial institutions account for 20.92% (as of March 31, 2022) of our share ownership. Because financial institutions in Japan have started joining the Partnership for Carbon Accounting Financials (PCAF), there is a risk that the Company's corporate value might fall due to a decline in valuation by domestic financial institutions. If our stock price were to decline 1% due to a lower valuation by foreign investors and domestic financial institutions, we estimate that our market capitalization would decline by ¥34 billion[1] (fiscal year-end).	
Measures and costs	In addition to its existing Climate Action Committee, we have established the Green Innovation Office, a dedicated organization tasked with quickly responding to investor requests for climate-related information disclosure and accelerating efforts to reduce GHG emissions. In response to increasing disclosure requirements, the organization is streamlining the process of calculating and visualizing our GHG emissions and promoting action on climate change. In 2021, we spearheaded the launch of a GHG emissions visualization platform that covers a wide variety of emission intensity and logic based on our internal initiative. We have also started building an information dissemination infrastructure for distributed energy to achieve carbon neutrality in an initiative to support business and technology development. Our investments in climate-related innovations are aimed at creating technologies and business models that promote the decarbonization of society. They reflect our efforts to provide IT and consulting services related to climate change and thereby enhance our reputation for action on climate change. The Green Innovation Office will invest ¥1 billion–¥1.5 billion annually under our Medium-Term Management Plan (FY2022–2025) for the above activities, for a cumulative investment of ¥5 billion over four years (¥1 billion + ¥1 billion + ¥1.5 billion + ¥1.5 billion = ¥5 billion). These investments will go to green innovation projects selected internally, including construction of an information dissemination infrastructure for distributed energy, and are based on actual results in fiscal 2021 and budgeted amounts for fiscal 2022. We expect to allocate around 50% of such investments to developing services to help clients and society achieve net zero, and 50% to promote innovation for GHG emissions visualization and reduction actions aimed at achieving our own net-zero goal.	

＊1   Estimated based on 1,402,500,000 shares outstanding (as of March 31, 2022)

[Time horizons] Short term: FY2022–2025; Medium term: FY2026–2030; Long term: FY2031–2050

◆ Physical Risk (Acute)

Physical impacts of climate change include the risk of power transmission interruptions to data centers stemming from abnormal weather events (such as large typhoons, floods, heat waves, and heavy rains) and the risk of data center outages due to flooding or lightning strikes.

Risk 2: Data center shutdown due to abnormal weather		Time horizon: Short term
	Large typhoons, floods, heat waves, torrential rains and other abnormal weather events increase the risk of data center operational shutdown due to power outages, flooding, and lightning strikes.	
Assume business and financial impacts	More than 50% of our sales are associated with data centers, and almost all of the main data centers are located on middle latitudes in the northern hemisphere, which are frequently experiencing heavy rainfall due to climate change. In particular, financial institutions, which are our major clients, are demanding low-latency trade processing with the Tokyo Stock Exchange (TSE), which is located near Tokyo Bay. According to a flood risk search service provided by the Tokyo Metropolitan Government, the vicinity of the TSE has a flood risk of 1.0–2.0 m if the maximum expected rainfall causes the adjacent Nihonbashi River to overflow. Despite the increased flood risk, companies still tend to use data center services located near the TSE. Other organizations located near Tokyo Bay include public institutions, which are also major clients, as well as the data centers and Internet exchanges of companies connected with such public institutions. Also, data centers near Tokyo Bay tend to be used for low-latency communication and efficient interconnection. Accordingly, in Japan where we are headquartered, we have many data centers in Tokyo located in relatively coastal areas that are particularly vulnerable to abnormal weather events. In the United States, the New York Stock Exchange and Internet Exchange are located near New York Harbor. As in Japan, we locate our data centers near New York Harbor to reduce low latency in communication processing and improve the efficiency of interconnection with major clients and other companies' data centers. As a result, our data centers are vulnerable to abnormal weather events and face a company-wide risk of data center outages caused by interruption of power transmission to domestic and overseas data centers due to extreme weather (such as major typhoons, floods, heat waves, and heavy rains), flooding, and lightning strikes. If a typhoon were to cause a five-day shutdown of our major data centers located mainly in the Tokyo metropolitan area, we estimate that the negative impact on net sales would be ¥13 billion.	
Measures and costs	In March 2020, we established Grid Sky Way LLP together with TEPCO Power Grid, Inc., and Hitachi, Ltd. (with Chugoku Electric Power Transmission & Distribution Co., Inc., joining in June 2020). The activities of this business partnership include building and demonstrating a system to enhance the sophistication and resilience of infrastructure facility inspections, including using drones to inspect electric power equipment, as countermeasures against natural disasters that are becoming more severe due to abnormal weather. (Our role is to create an environment for field-testing a drone operational management system.) Since the 2020 COVID-19 pandemic, we have increased its internal network bandwidth with the aim of establishing and improving teleworking environments for employees. Indirectly, this has also helped increase the resilience of our data centers to climate change. During the four years of our Medium-Term Management Plan (FY2022–2025), we will invest a cumulative total of ¥8 billion (¥2 billion × 4 years). This is based on actual investments by the Group in fiscal 2022 of ¥2 billion (¥1 billion for enhancing telecommunication lines and ¥1 billion for renewing building facilities), combined with planned investment in amounts equivalent to the FY2022 total (¥2 billion) in each of fiscal 2023 and subsequent years.	

[Time horizons] Short term: FY2022–2025; Medium term: FY2026–2030; Long term: FY2031–2050

◆ Transitional Risk (Regulations)

Complying with regulations related to climate change entails a transitional risk of increased costs for facility modifications and additional operations. There is also a risk of not being selected as a business partner due to the market's accelerating preference for decarbonization.

Risk 3: Increase in costs due to carbon pricing (e.g., carbon tax)		Time horizon: Long term
Assumed business and financial impacts	We generate around 80% of consolidated net sales in such regions as the European Union and Japan, where carbon pricing (carbon tax) has already been introduced or is under consideration for introduction. The confirmation of plans to introduce a carbon pricing system in Japan, where we have many clients, will have a significant impact on at least 60% of net sales. The consensus across global society is that net-zero emissions must be achieved by 2050, and companies are facing growing calls to comply with corresponding laws and regulations. Accordingly, we expect carbon pricing to result in higher operational costs in the future. In the IT services industry, the use of digital technology to improve business efficiency will increase alongside growing demand for remote working arrangements due to COVID-19. As a result, energy use in our cloud computing and data centers will continue to increase unless we take proper countermeasures. Given the nature of our business, with around 90% of Scope 1 and 2 emissions coming from electricity use related to cloud computing and data centers, the continued use of fossil fuel–derived electricity could have a significant management impact. To lower the impact, we might be forced to procure power from renewable energy sources, which would increase power procurement costs and pose the risk of a decline in business profit. We calculated a cumulative cost of ¥70 billion (FY2022–2024) by multiplying the remaining emissions (FY2022–2024) by the carbon price[1] under the IEA's Net-Zero Emissions by 2050 Scenario. This will have a negative impact on operating inocome of ¥7 billion (cumulative for FY2022–2025).	
	Complying with the Paris Agreement will lead to significantly tighter domestic regulations and higher costs related to CO_2 emissions.	

[1] Net Zero by 2050 (https://www.iea.org/reports/net-zero-by-2050)

[Time horizons] Short term: FY2022–2025; Medium term: FY2026–2030; Long term: FY2031–2050

◆ Opportunities Related to Products and Services (Opportunities 1, 2, 3)

Opportunity 1: Increasing the need to create sustainability-related offerings	Time horizon: Short term

Reducing GHG emissions and disclosing climate-related information have become urgent issues, especially for global companies. This will lead to opportunities for business creation, including visualization of GHG emissions throughout clients' supply chains, new business development related to each company's management and business and climate change responses, operational reforms, and investments in associated systems.

Business and financial impacts	There is an urgent need, especially among global companies, to reduce GHG emissions in accordance with the SBT Initiative's net-zero standards and disclose their climate change responses in accordance with the TCFD recommendations. In Japan, which accounts for around 60% of the Group's net sales, companies listed on the Prime Market (the top market of the Tokyo Stock Exchange for companies seeking constructive dialogue with global investors) will be effectively mandated to make disclosures in their securities reports in line with TCFD recommendations starting in fiscal 2023. As our main Japanese clients are also listed on the Prime Market, we envisage opportunities to create business in our role as an IT service provider. These include visualization of GHG emissions throughout clients' supply chains, new business development related to each company's management and business and climate change responses, operational reforms, and investments in associated systems. We define "sustainability-related offerings" as services and systems for sustainability in general, including climate-related solutions, and have identified the creation of such offerings as a key strategy in the Medium-Term Management Plan (FY2022–2025). Among sustainability-related offerings, GHG management is the most important in the short term. We already provide AI services to optimize the air-conditioning systems of data centers and office buildings, as well as solutions to visualize GHG emissions. According to a market research report by Global Information, Inc., the global market for carbon footprint management posted an average annual growth rate (CAGR) of 7% from 2015 to 2020. Client companies in a wide range of industries are seeking GHG emission visualization solutions. We estimate that the creation of new sustainability-related offerings will have a positive impact on net sales of more than ¥200 billion in fiscal 2025.
Strategies and costs	We will make investments to expand sustainability-related offerings with a focus on climate-related solutions. These will include investments in the development of various carbon footprint visualization platforms, as well as in pre-sales activities and training of engineers. We will also invest in market research and business model studies related to sustainability so that we can create new businesses that apply advanced technologies to social issues. For example, we entered this market by developing a product-specific carbon footprint platform in a joint effort with a Japanese chemical materials manufacturer. The platform enables calculation of GHG emissions by end product for tens of thousands of chemical products by using a product composition table that reflects differences in materials and processes. Using this platform, chemical materials manufacturers can instantly communicate product-specific carbon footprint information to their suppliers, identify hot spots for emission reduction, and even systematically decarbonize through the introduction of internal carbon pricing mechanisms. We plan to make cumulative investments in sustainability-related offerings of ¥32 billion from fiscal 2022 to 2025. This equates to ¥8 billion per year over the four-year period (¥2 billion in company-wide technology development investments in fiscal 2022 that contribute to climate change adaptation and mitigation + ¥6 billion in social change and climate-related investments for each business field).

Opportunity 2: Increasing demand for sustainability-related consulting services	Time horizon: Short term

Growing corporate demand for climate-related strategy development and emission reduction measures will increase business opportunities to provide climate change and sustainability consulting services.

Business and financial Impacts	The COP26 agreement to pursue a 1.5°C target has led to increased corporate disclosure and reduction requests by governments and financial authorities in various countries. Investors are demanding that companies reduce their GHG emissions, exemplified by the formation of the Glasgow Financial Alliance for Net Zero (GFANZ). Against this backdrop, there is a growing need for companies to develop climate-related strategies and emission reduction measures for their management and business operations. For companies seeking to address climate change, however, external factors are changing quickly with respect to content and level of requests, for example. Moreover, calculating GHG emissions requires a certain level of expertise. Therefore, it is often difficult for companies to independently formulate an overall strategy and address all these issues. We expect these needs to increase over the four-year period of our Medium-Term Management Plan (FY2022–2025), and we anticipate increased business opportunities to provide climate- and sustainability-related consulting services.

First, we are focusing on public institutions and financial institutions engaged in net-zero initiatives as our main target. We have launched consulting services related to climate change action by leveraging our strengths in information processing technology, as well as our extensive development experience and track record over 30 years in the public and financial sectors. We are also using our position as the first CDP Gold Accredited Solutions Provider (in the categories of "Climate Change Consultancy" and "Software") in Japan and approximately 20th company to be recognized in the world, certified by the CDP, an international NGO. Our newly offered consulting services include formulation of corporate climate change response strategies, visualization of GHG emissions, data center energy conservation, utilization of renewable energy, and optimization of energy efficiency. We define these consulting services as entry- point services that will trigger increased demand for "sustainability-related offerings (IT systems and services)" outlined in Opportunity 1 and represent a separate strategy from offerings described in our Medium-Term Management Plan (FY2022–2025). We expect the number of these climate-related consulting services to increase in the future, creating more opportunities to provide new offerings.

We estimate that our sustainability-related consulting services will have a positive impact on net sales of ¥20 billion in fiscal 2025. This is based on our assumption that such offerings will account for a certain share of overall consulting sales.

Strategies and costs	We consider sustainability-related consulting to be a big market. According to market research by Global Information, it is expected to reach ¥1.47 trillion (USD\$10.88 billion) in 2027, with a CAGR of 4.5% from 2021 to 2027. Although the demand from the market is high, we believe that securing the personnel capable of providing quality consulting services could be the upper limit of the financial impact. In response, under our new Medium-Term Management Plan (FY2022–2025), we plan to increase the number of personnel engaged in consulting services to meet the needs of our clients on a global basis. We will conduct the following types of training for and acquisition of personnel to be added as consultants to provide strategic planning and implementation support. 1. In-house personnel development: We will select consulting personnel, as well as sales and development personnel with consulting skills, and assign them to projects related to climate change and train them through off-the-job training. 2. We will acquire consultants with experience in sustainability and climate change: We will step up global recruiting to acquire human resources with consulting experience in climate change, as well as human resources with governmental and business experience related to climate change. In addition to incorporating sustainability training into our standard internal training program, we are deploying our mid-career recruitment and internship programs to train young people as consultants in the field of climate change. Deploying IT technology, meanwhile, we are working to share knowledge within the Group through the "Digital Work Place," an information-sharing solution encompassing all Group companies, as well as through online seminars and websites. In fiscal 2022, we have invested approximately ¥1 billion to attract and develop climate change action–related consultants (¥500 million to attract and develop human resources + ¥500 million for training and research). Over the four-year period from fiscal 2022 to 2025, we will make cumulative investments of ¥4 billion.

Opportunity 3: Increasing needs for resilient cloud services

Time horizon: Short term

The increase in abnormal weather and the growing need for decarbonization are encouraging energy conservation through shared use and equipment consolidation and promoting the introduction of renewable energy. At the same time, the increasing need to attain resilience by transferring data to the cloud to avoid data loss and contribute to decarbonization is leading to expanded business opportunities.

Business and financial Impacts	In addition to an increase in abnormal weather events, such as typhoons and localized heavy rains, we expect the growing need for decarbonization to lead to energy conservation through shared use and consolidation of equipment and the introduction of renewable energy, as well as increasing demand for migration to the cloud, which is resilient (by preventing data loss) and contributes to decarbonization. In particular, financial institutions and public institutions, which are our major clients, are looking for cloud environments that are both resilient and decarbonized. Therefore, demand is increasing for shared-use cloud services, which are resistant to weather disasters because they are built on robust infrastructure as typified by community cloud services, and they contribute to energy conservation. Because they will also be powered by renewable energy, we expect further increases in business opportunities. Currently, we provide joint-use mission-critical systems, such as the Chigin Kyodo Center, which is used by nearly 40% of the 60 regional banks in Japan (as of June 1, 2022). In addition, more than 90% of the 241 credit associations across Japan (as of June 1, 2022) are using our comprehensive online Shinkin Kyodo System, giving us an advantage in large-scale community cloud services on a nationwide level. Leveraging this advantage of scale, we provide cloud services that are both resilient and

	decarbonized, leading to even greater business opportunities. We have also begun phasing in renewable energy sources, having declared that all the Group's data centers will be carbon-neutral by 2030. As a result, all cloud services provided by our data center assets will be powered by renewable energy. We estimate that the increase in cloud-related sales will have a positive impact on net sales of more than ¥150 billion in fiscal 2025.
Strategies and costs	As part of our efforts to improve climate-related resilience and promote renewable energy in the cloud, in April 2022 we introduced 100% renewable energy to provide three services, including Open Canvas®, a highly reliable and secure cloud service. We also declared that all our data centers will be carbon-neutral by 2030 and have begun phasing in renewable energy sources accordingly. Introducing 100% renewable energy to these services is part of that strategy, and we plan to systematically transition the cloud services that use our data centers to renewable energy operations. During the period of our Medium-Term Management Plan (FY2022–2025), we will invest ¥19 billion in technology development related to resilience improvement and renewable energy deployment in the cloud. This includes ¥10 billion to develop resilient cloud-related technologies that address climate change and strengthen our global delivery centers, and ¥9 billion in additional investments to reinforce and extend the lives of existing cloud services.

[Time horizons] Short term: FY2022–2025; Medium term: FY2026–2030; Long term: FY2031–2050

◆ Climate Change Scenario Analyses

Reasons for conducting scenario analyses and setting boundaries and time horizons

Scenario Identification

We conduct scenario analyses with the aim of understanding the impacts of climate change on our business and evaluating the resilience of the Group's strategies to climate-related risks and opportunities.

We started scenario analyses in 2018 and have since gradually expanded the boundaries and time horizons. In fiscal 2021, our analyses focused on the 1.5°C scenario, in which a transition to a low-carbon economy is made based on the Paris Agreement, and the 4°C scenario, in which climate change measures are not implemented beyond what is currently planned. We used IPCC reports and the IEA's World Energy Outlook as the main inputs for examining the scope of the projected future world, and used EPA, EEA, and MOE country analysis documents as reference. For scenarios, we adopted the SSP5-8.5 Scenario (no climate change action) cited in the IPCC's Sixth Assessment Report, the SSP1-1.9 Scenario (1.5°C), the IEA's Sustainable Development Scenario, and the IEA's Net-Zero Emissions by 2050 Scenario, then assessed the potential impact on our business and value chain.

Boundary (Target Range)

The NTT DATA Group's business focuses on five areas—public & social infrastructure, financial, and enterprise & solutions (Japan), as well as North America and EMEA/Latin America—and expects all our clients and suppliers in each area to be impacted by climate-related factors. For this reason, we have established a boundary of "all businesses and their associated value chains" to identify risks and opportunities and examine their financial impacts.

Time Horizon

For time horizon, we selected the long-term period up to fiscal 2050 to meet the expectations of clients, shareholders, society, and other stakeholders who demand a long-term vision for climate change in line with the Paris Agreement, given the nature of the Group as a provider of systems that support the foundations of society. As an intermediate point, we have set a medium-term horizon up to fiscal 2030, which coincides with the SBTs.

Results of Fiscal 2021 Scenario Analyses

Scenario Analysis Details

We used two main scenarios to provide a detailed assessment of climate-related risks and opportunities. The first is the SSP1-1.9 scenario, which keeps the temperature rise below 1.5°C under sustainable development, and the other is the SSP5-8.5 scenario (maximum emissions) scenario that assumes continued dependence on fossil fuels and no climate policy. While setting targets based on the SSP1-1.9 scenario, we also identified climate-related risks under the SSP5-8.5 scenario and are reflecting these in our business strategies.

➢ **Impact of Climate Change Scenarios on the Group**

Carbon dioxide (GtCO$_2$/yr)

SSP5-8.5

SSP5-8.5 Worldview
・Global average temperature increase of 1.9–3.0ºC (2041–2060)
・Extreme temperature event that occurred once in 10 years
 occurs 5.6 times more → Once in 2 years or more
・Extreme temperature event that occurred once in 50 years
 occurs 13.9 times or more → Once in 5 years or more
・Extreme weather events become more extreme
 (e.g., fewer but more intense typhoons)

SSP3-7.0

SSP1-1.9 Worldview
・Global average temperature increase of 1.2–2.0ºC in 2041–2060
 (1ºC increase at present)
・Extreme temperature event that occurred once in 10 years
 occurs 2.8 times more → Once in 5 years or more
・Extreme temperature event that occurred once in 50 years
 occurs 4.8 times more → About once in 10 years
・Exceeds 1.5ºC around 2030 but declines to below 1.5ºC

SSP2-4.5
SSP1-2.6
SSP1-1.9

Reference: IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis.
Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change
SSP(Shared Socioeconomic Pathways): Shared Socioeconomic Pathways (SSPs): Five scenarios showing future social and
economic changes along two axes (climate change mitigation measures and adaptation difficulties)

In the SSP1-1.9 scenario, we assessed that promoting renewable energy deployment in our data centers and offices globally would reduce both the financial risk of current and long-term carbon pricing and the risk of reputational damage due to failure to address climate-related investor requests in all segments of the Group. The results of this assessment will be reflected in our overall climate strategy. Through energy conservation and the 100% introduction of renewable energy, we plan to achieve carbon neutrality at our data centers by fiscal 2030 and at our offices and other facilities by fiscal 2040.

On the other hand, the cost of procuring renewable energy could increase due to rapid growth in demand for such energy. In Japan, our core businesses are cloud computing and data services, and electricity used to provide such services accounts for 95% of our total Scope 1 and 2 CO$_2$ emissions, so the need to transition to renewal energy is inevitably high. According to the Agency for Natural Resources and Energy, total demand in the Japanese domestic electricity market in 2030 will be 864 billion kWh, whereas renewable energy supply will be 353 billion kWh. As we get closer to 2030, the supply of renewable energy is expected to be inadequate.

To cope with the increasing procurement costs and an insufficient supply of renewable energy, we are installing renewable energy power generation equipment internally while conserving energy in our own buildings and data centers. Our Mitaka Data Center EAST, a green data center, incorporates photovoltaic power generation and an outside air-cooling system using natural energy (outside air in spring, autumn, and winter) to reduce consumption of power derived from fossil fuels. We now have three buildings in Japan with photovoltaic power generation systems, representing around 17% of all Group-owned buildings in Japan. Moreover, two of our other buildings are participating in district heating and cooling (DHC) systems. DHC systems help reduce carbon emissions by consolidating high-efficiency heating and cooling equipment in single regional locations, eliminating the need for surplus energy that would otherwise be generated by individual equipment.

We plan to invest ¥1.2 billion–¥1.5 billion annually for the introduction of renewable energy and power-saving technologies, for a total of ¥5 billion from fiscal 2022 to 2025.

Furthermore, we are investing in immersion cooling, which eliminates the needs for air cooling by directly cooling servers with the refrigerant itself, as well as air-conditioning optimization, which uses IoT technology to measure server power consumption and AI to control and keep server room temperatures at optimal levels. From fiscal 2022 to 2025, we plan to invest ¥19 billion to develop cloud-related technologies to help realize a resilient and decarbonized society.

We also deemed the creation of sustainability-related offerings (such as IT services and systems) linked to social systems and regulations in the SSP1-1.9 scenario to be important. To ensure access to advanced technologies, we will invest in joint R&D with external innovators, as well as technical support, pre-sales activities, and training of engineers. In addition, we will invest in sustainability-related market research, new business model studies, and the development of IT technology-based infrastructure so that we can create new businesses that apply advanced technologies to social issues. We expect demand from clients for climate-related consulting services to increase alongside the growing need to develop climate change strategies and reduce emissions in corporate management and business. With this in mind, we are working to provide consulting services by creating templates of our data collection process, calculation methodologies, and data utilization methods. We are also stepping up recruitment of human resources to support this consulting business by leveraging our strength as the most popular company in the IT industry.

In the SSP5-8.5 scenario, we assessed the impact on net sales at a slightly higher level due to the risk of increasing abnormal weather events and the resulting social and economic damage and decline in business profit of clients. In our three domestic focal areas in Japan—public & social infrastructure, financial, and enterprise & solutions—where precipitation is on the rise, we assessed that frequent typhoons and sudden heavy rains will increase the risk of flooding at data centers and offices.

On the other hand, because clients need to address the same risks, we see opportunities from increased demand for our cloud and shared-use services, in which we employ hazard countermeasures and data loss countermeasures with double redundancy.

To prevent an increase in abnormal weather events and the resulting socioeconomic damage and a decline in clients' business profit, we reinforced telecommunication lines and renewed construction facilities, investing ¥1 billion annually on each until their completion in fiscal 2020. We decided to continue such investments and have allocated the same amount for severe disaster countermeasures, including climate change, since fiscal 2021. We plan to invest a total of ¥8 billion from fiscal 2022 to 2025.

To address climate change and COVID-19, since 2020 we have increased our internal network bandwidth for the purpose of establishing and improving teleworking environments for our employees, and we are now able to control and manage our data centers from remote locations. In these ways, we are making our data centers more resilient to climate change.
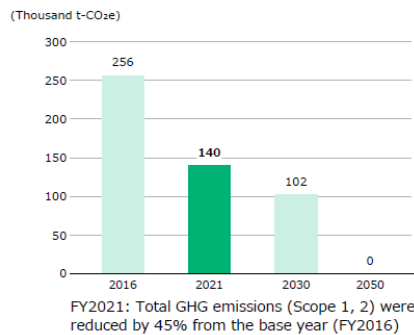
◆ Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities)

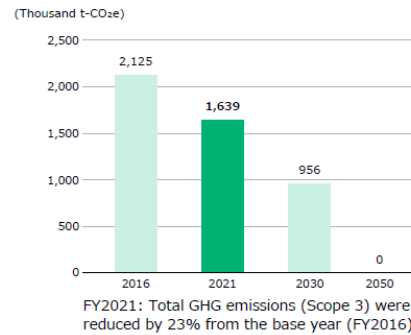Metrics and targets set for climate-related risk management and opportunity-related strategies are shown below.

Metrics Category	Metrics, Targets, Results, etc.
GHG emissions	Metrics: Scope 1, 2, and 3 emissions Targets: Reduce Scope 1 and 2 emissions by 73,000 tons by FY2025 Reduce Scope 1 and 2 emissions by 60% (SBT 1.5°C level) and Scope 3 by 55% by FY2030 (compared with FY2016) Net-zero by FY2050 (Scope 1, 2, and 3)
Internal carbon price	Internal carbon price (FY2022): ¥6,500/t-CO_2 Note: NTT Group unified price (to be updated annually)
Compensation	Link between climate-related executive compensation and employee bonuses

FY2021 results are shown below.

Total GHG Emissions (Scope 1, 2)

(Thousand t-CO_2e)

2016	2021	2030	2050
256	140	102	0

FY2021: Total GHG emissions (Scope 1, 2) were reduced by 45% from the base year (FY2016)

Total GHG Emissions (Scope 3)

(Thousand t-CO_2e)

2016	2021	2030	2050
2,125	1,639	956	0

FY2021: Total GHG emissions (Scope 3) were reduced by 23% from the base year (FY2016)

GHG Emissions per Employee (Scope 1, 2)

(t-CO_2e)

2016	2019	2020	2021
2.3	1.3	1.2	0.9

FY2021: Total GHG emissions per employee (Scope 1, 2) were reduced by 60% from the base year (FY2016)

GHG Emissions per Employee (Scope 3)

(t-CO_2e)

2016	2019	2020	2021
19	14	11.1	10.8

FY2021: Total GHG emissions per employee (Scope 3) were reduced by 43% from the base year (FY2016)

* Scope 2 figures are market-based (calculated based on the amount of electricity procured by each electric power company and its emission factor, etc.).

Main Initiatives

We utilize digital technology to help clients and society as a whole achieve carbon neutrality and strengthen resilience to climate change (Green Innovation by IT), while at the same time promoting our own carbon-neutral initiatives (Green Innovation of IT).

Under Green Innovation by IT, we started offering green consulting services in January 2022. Here, we provide comprehensive broad-ranging support to our clients, from decarbonization strategy and scenario planning and formulation to emission reduction support using digital technology, delivery of solutions (such as visualization and optimization of electricity consumption), and implementation of specific measures. Under Green Innovation of IT, we are reducing power consumption in our data centers through smart air-conditioning control systems that make full use of AI technologies and cooling systems using immersion cooling methods.

We also actively engage in various initiatives aimed at reducing GHG emissions throughout the supply chain in diverse industries in society and promoting visibility of such emissions. These include industry standardization efforts through membership in organizations (we became a CDP Gold Accredited Solutions Provider and a member of the Green × Digital Consortium), as well as mechanism development and entrenchment.

◆ Contribution through Support to Clients (Green Innovation by IT)

Three steps are required to decarbonize a company's business activities: visualization of GHG emissions, setting of reduction targets and plans, and implementation of those plans. As the foundation for reduction planning and implementation, visualization is an important first step. C-Turtle™ is a GHG emissions visualization platform that we offer as part of our green consulting services. This platform enables construction of optimal calculation methods according to business characteristics and data held. It also enables emissions reduced by supplier companies to be properly included in the emission reduction calculations of procuring companies.

Meanwhile, we are enhancing our green consulting services for the manufacturing industry. Here, we use the ENERGY CLOUD™ AI solution offered by Mitsubishi Heavy Industries, Ltd. This solution enables optimal capital investment planning by simulating emissions, costs, and production volumes when changing fuel and equipment configurations. It enables advanced visualization and reduction of Scope 1 and 2 emissions by creating a digital twin model of operating conditions from actual measured data through simulation-based optimization along with real-time monitoring of manufacturing plants. It can also determine carbon footprint by not only product but also production period and production line, enabling detailed and highly accurate information linkage downstream in the supply chain, thus contributing to advanced visualization of the entire supply chain and reduced emissions.

Carbon footprint (CFP): A system that converts the amount of GHG emissions throughout the entire life cycle of products and service (from procurement of raw materials to disposal and recycling) into a CO_2 equivalent and displays it on the products and service in an easy-to-understand manner.

➤ **Offering Green Consulting Services and GHG Emissions Visualization Platform "C-Turtle™" to Achieve Carbon Neutrality in Socie**
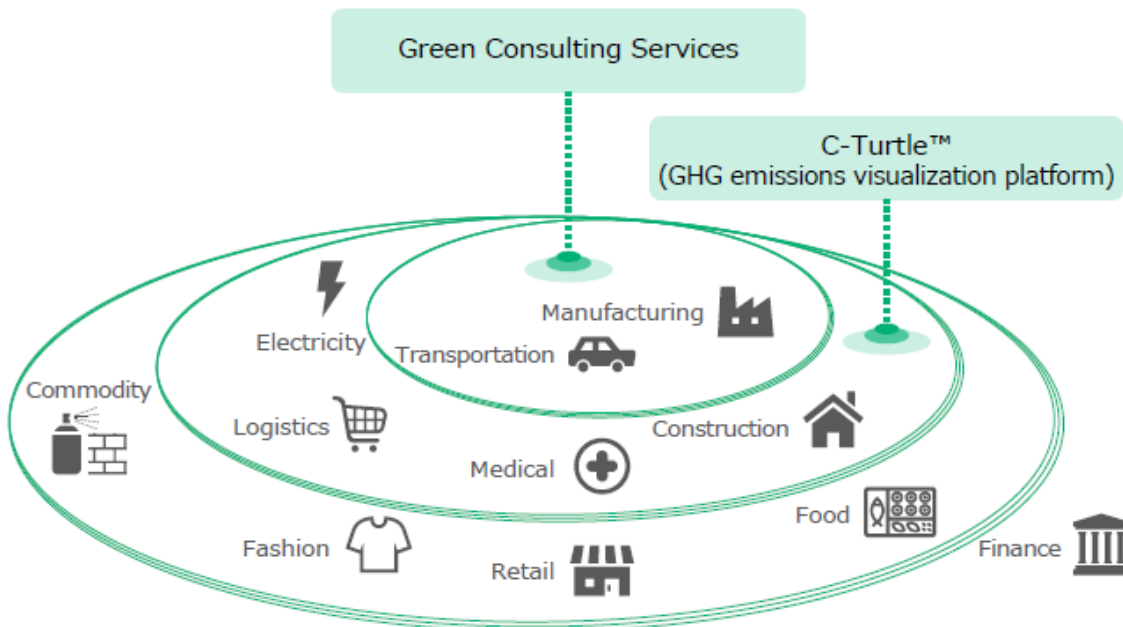
◆ Internal Initiatives (Green Innovation of IT)

Saving Energy in Our Data Centers

Digital transformation (DX) of the facility sector is becoming indispensable to realizing a decarbonized society. For this reason, we aim to create new value through our "IT × Facility" concept. On the other hand, power consumption in data centers continues to increase due to dramatic growth in the volume of information resulting from the digitization of society. Accordingly, reducing power consumption has become a challenge for data center operators. Our goal is to be carbon neutral by 2040, with all our data centers powered by renewable energy by 2030.

In our machine rooms, which consume large amounts of energy, we save energy by improving the power efficiency of both equipment and operations. We also have improved the cooling efficiency of equipment by ensuring proper pathways for cold air and exhaust air. In addition, we have AI-based smart air-conditioning control systems that automate and optimize air conditioning to prevent overcooling and heat buildup. Through airflow improvement work and smart air-conditioning control, in fiscal 2021 we achieved a 33.4% reduction in air-conditioning power consumption compared with the level before installing the systems.

In addition, we have built a data center cooling system that employs a liquid immersion cooling method. Our field tests have verified that the system can reduce energy consumption for cooling by up to 97%[1] compared to conventional systems. This method directly cools ICT equipment, such as servers, in a special liquid and is attracting attention as a next-generation cooling method with high energy efficiency. We will use the results of our field tests and our own initiatives to implement and provide energy-saving data center services.

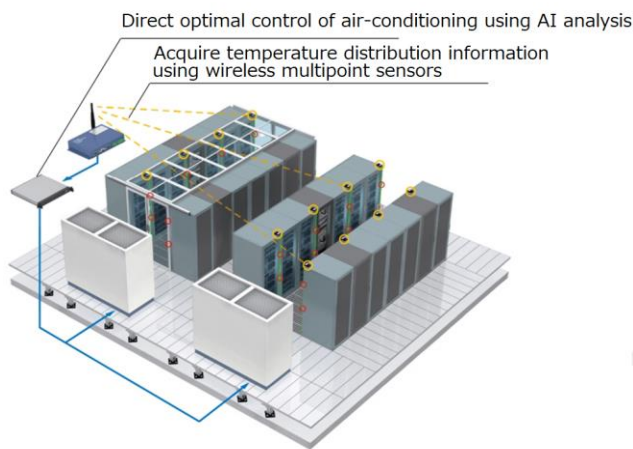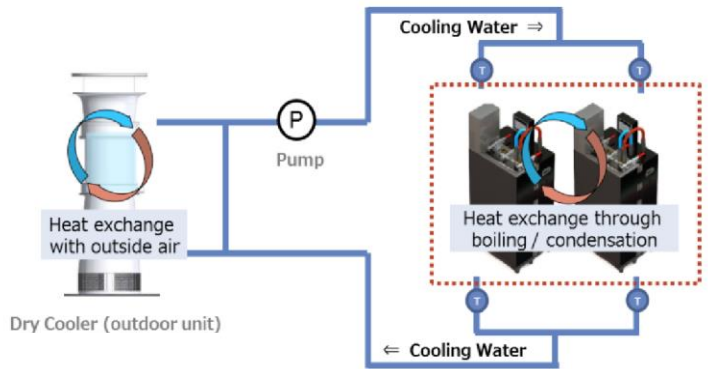[1] Compared to a data center with total power consumption of PUE = 1.7

Image of machine room with a smart air-conditioning

Overview of Liquid Immersion Cooling System

◆ Promoting Green Purchasing

Assessments of Corporate Stance and Products

In addition to price and quality evaluation, the Group has established evaluation criteria that it uses procuring and selecting products and services. These criteria set out specific standards for selecting important suppliers and include such factors as the corporate stance on environmental protection and environmental considerations for supplier products and services. We focus mainly on evaluating potential suppliers' approach to tackling environmental issues. In addition to compliance with environmental laws and regulations, as a matter of course, we attach considerable weight to whether the supplier has acquired ISO 14001 and other environmental management certifications. For suppliers who have not yet acquired environmental certification, we also check the status of their ESG management practices by asking specific questions, such as whether they have environmental guidelines, environmental impact reduction targets, and environmental management organizations in place.

### Strengthen Green Purchasing Initiatives to Reduce GHG Emissions

With respect to our procurement activities for products and services, in February 2022, we stepped up efforts to reduce GHG emissions throughout the supply chain to achieve our Scope 3 emissions reduction target of 55% by 2030. To clarify our criteria for supplier evaluation, we use the NTT DATA Group Green Procurement Guidelines, which set forth our policy for procurement activities. We also established the Hardware Procurement Rules[1], a set of reference rules for hardware procurement that we now use throughout our Group. These rules recommend purchasing from hardware vendors that have received SBT certification (for setting environmental targets for decarbonization) or have announced GHG emission targets and results at a similar level to the SBT certification, and we follow these rules when making procurement decisions. In the future, we plan to establish evaluation criteria not only for hardware vendors but also for business partners[2] (starting in 2023).

[1] We issued a press release in February 2022 regarding the establishment of the Hardware Procurement Rules.
https://www.nttdata.com/jp/ja/news /release/2022/022802/ (press release only in Japanese)

[2] NTT DATA established its Business Partner System for software development, our main business, and cooperates strongly with companies certified as Business Partners under the system.

➢ **Green Purchasing Mechanism**
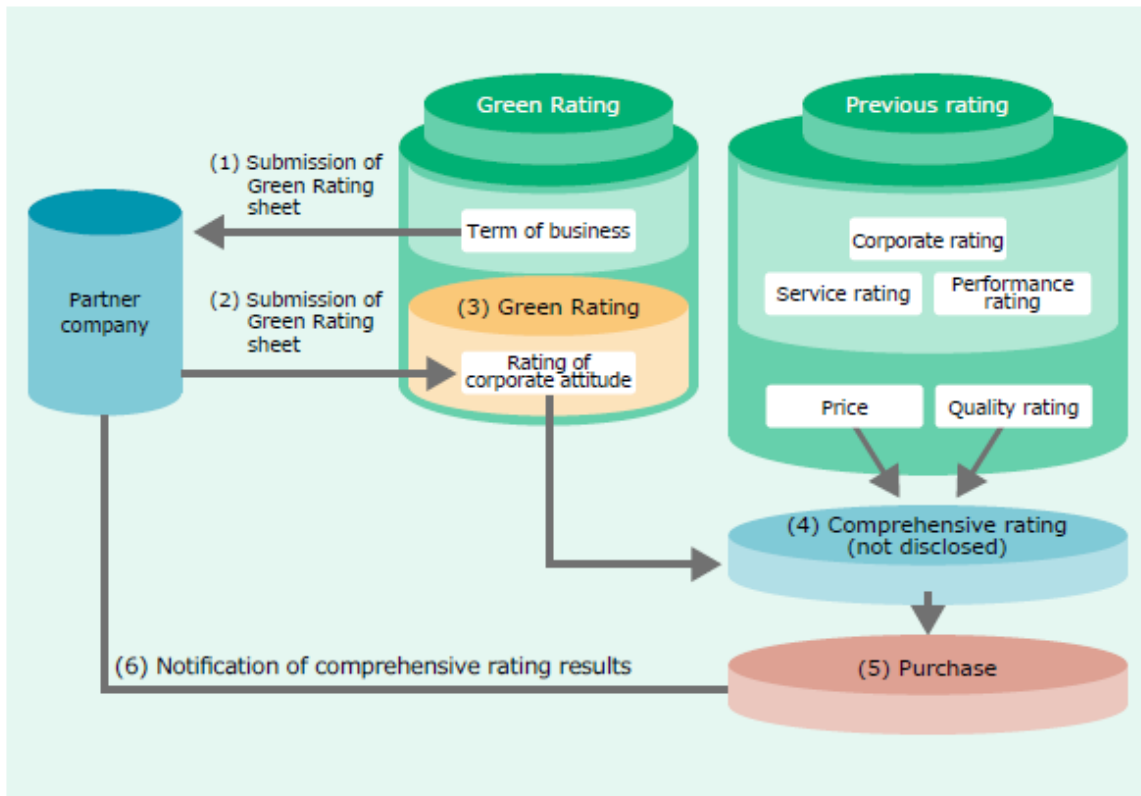
◆ Collaboration with Suppliers

As approximately 85% of our total Scope 3 emissions are in Categories 1, 2, and 11, it is essential that we work with our suppliers to reduce emissions throughout our supply chain. Stepping up efforts to reduce Scope 3 emissions, in fiscal 2021 we gave a presentation on our procurement policy at a study session hosted by the Ministry of the Environment. At the session, we exchanged opinions with leading companies outside the IT industry on the status of efforts to reduce emissions in our supply chain. In these ways, we contributed to emission reduction efforts throughout society.

Main Efforts to Achieve the SBT 1.5˚C Target

In fiscal 2021, we jointly hosted a supplier information session with the CDP for our top suppliers (those accounting for 80% of our total purchases). At the session, we requested suppliers' cooperation to reduce emissions to the SBT target level, and CDP gave a presentation on obtaining SBT certification and ways to visualize and reduce emissions, thus encouraging each supplier to act. After the session, we followed up by providing each company with FAQs and other information necessary for their efforts.

We are strengthening efforts to gather and analyze information on climate change initiatives throughout the supply chain. To this end, in April 2022 we became the first Japanese company (and one of the first five in the world) to become a CDP Supply Chain Premium Member. The CDP's questionnaire covers suppliers that account for 80% or more of our total purchases of hardware, software, and outsourced software development and asks them to answer questions on the status of initiatives related to visualization, target setting, and approach to emission reduction. We will promote green initiatives by utilizing collected information from the questionnaire to formulate various policy measures (via briefings and the like) and provide support to each supplier.

We also regularly exchange opinions with suppliers engaged in proactive initiatives about products and solutions with low environmental impact, and we collect information necessary to promote green purchasing, thereby reducing emissions on a product-by-product basis.

Business Partner Outreach

For software development, one of our main businesses, we have a Business Partner System under which we accredit Business Partners (BPs) and Associate Partners (APs) every two years. Through the system, we work to deepen mutual understanding, improve the quality of software development, and build good relationships aimed at building a sustainable supply chain. Every year, we hold a BP Presidents' Meeting, attended by the heads of our BPs, where we share information on NTT DATA's management policies and the results of mutual evaluations to help BPs gain a better understanding of our green initiatives and receive their cooperation.

To strengthen green initiatives by business partners, in fiscal 2022 we started holding briefing sessions for BPs and APs, as well as individual dialogues according to the situation of each company. Through these efforts, we will gain a more detailed understanding of each company's issues and provide support to drive their green initiatives in the future.

Future Initiatives

We will continue monitoring the status of each supplier's initiatives through the CDP, briefing sessions, and other means. Using information thus gained to formulate measures and provide support to each company, we will help reduce emissions throughout the supply chain. At the same time, we will work with suppliers to help our clients achieve business growth and a sustainable society.

Circular Economy

Reduce waste and create a society where the value of products and services continues to circulate

Main Initiatives

We are using the NTT DATA Group's digital technologies to help create a circular economy for clients and society (Green Innovation by IT). To this end, we deploy blockchain technology to build various mechanisms and AI and IoT technologies to achieve advances in industrial waste treatment. We are also building a platform to manage the cycle, from collection to disposal of waste, in compliance with laws and regulations while developing a prototype platform that can be interconnected with GAIA-X, an international data distribution platform used mainly in Europe.

As for initiatives within the Group (Green Innovation of IT), we are working continuously to reduce waste to achieve a recycling rate of 99% or higher in line with the NTT Group's "Eco Strategy 2030." NTT DATA Group companies that have acquired ISO 14001 Group certification (30 companies in total) had already achieved zero emissions (final waste disposal rate of 1% or less) in fiscal 2020, and we plan to expand our efforts in the future.

◆ Contribution through Support to Clients (Green Innovation by IT)

Streamlining Waste Management through Web Applications

In 2015, the Emilia-Romagna region in Italy enacted a circular economy ordinance and introduced a variable-fee structure that levies a tax based on the amount of unsorted waste a company generates.

Instrumental in implementing this mechanism was SIR, a web application that NTT DATA Italia implemented for the region's public water and waste services corporation. A total of 328 municipalities and 12 service providers in the region have adopted SIR, allowing more effective reporting in compliance with local rules instead of the manual data management previously employed.

SIR also makes it possible to analyze which municipalities have introduced variable fee structures and how this has changed the amount of unsorted waste. We have clarified that municipalities that have introduced variable-fee structures have shown significant increases in waste separation compared to those that have not.
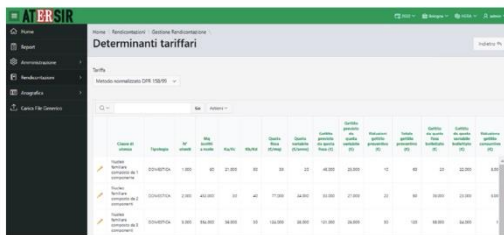
Waste management web application
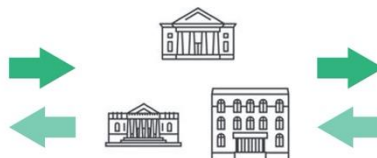
Local governments

Promote recycling through waste separation

◆ Internal Initiatives (Green Innovation of IT)

Recycling Related to Our Business

Waste Reduction

We have set targets of reducing final disposal volume by 90% or more (compared with fiscal 2013) and a final disposal rate of 1% or less. To meet these targets, we are pursuing various ongoing efforts, such as outsourcing waste disposal to companies with higher recycling rates. As a result, we achieved the following outcomes.

> Final disposal volume: 90.1% reduction (compared with FY2013)
> Final disposal rate: 0.44%

We are also pursuing the following initiatives to reduce generated waste.
(1) Recycling and reuse of disused PCs after implementing information security measures
(FY2021 result: 34,526 units)
(2) Donation of emergency rations (that are no longer needed because they have been replaced) to a volunteer organization (Second Harvest Japan, a certified nonprofit organization)
(FY2021 result: 885 boxes)

[Reference page] "Environmental Data" (Fiscal 2021 Recycling Amounts)
We will continue pursuing initiatives to reduce generated waste.

◆ Proper Handling of Hazardous Materials

We store manufactured goods containing waste polychlorinated biphenyl (PCB), which is designated as a specified toxic industrial waste material, and dispose of materials, including waste acid from batteries. We properly manage and dispose of these specified industrial waste materials in full compliance with the Waste Management and Public Cleansing Law and all other relevant laws and regulations. Since fiscal 2013, we have been systematically disposing of PCB-containing waste materials based on the PCB Special Measures Law and guidance from related ministries and agencies.

▶ Office Waste
（Waste produced by offices and data centers）

- ■ Amount recycled   ■ Amount of final disposal
- ■ Amount reduced
  (amount reduced through incineration, dehydration, and concentration)

(t)

FY	Value
2018	5,305
2019	5,160
2020	3,373
2021	4,693
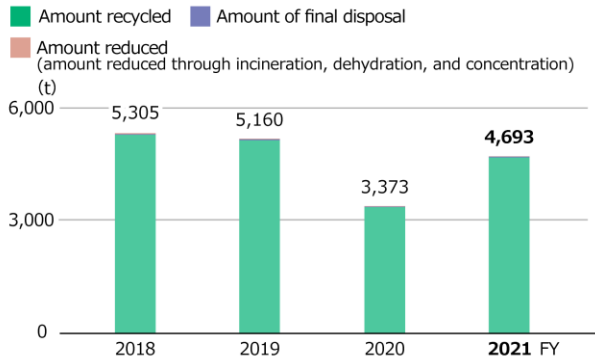
▶ Construction Waste
（Waste produced through construction and demolition of Company buildings）
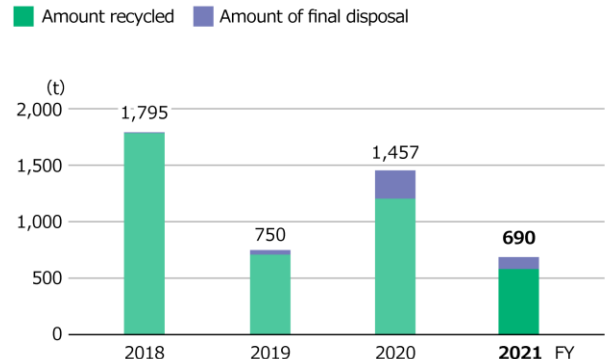
- ■ Amount recycled   ■ Amount of final disposal

(t)

FY	Value
2018	1,795
2019	750
2020	1,457
2021	690

Nature Conservation

Generate sound global environment and contribute to people's well-being by conserving and recovering nature capital

Main Initiatives

Deploying digital technology, the NTT DATA Group promotes nature-positive activities for clients and society (Green Innovation by IT). These include forest conservation, landslide countermeasures, and water resource management using high-precision remote sensing technology and drone analysis. We are also working to realize environmentally friendly agricultural techniques that minimize the use of pesticides and fertilizers through scientific IT-based farmland management while using blockchain technology to improve traceability across the entire value chain.

As an internal initiative (Green Innovation of IT), we are working to conserve water resources at Mitaka Data Center EAST. As an NTT Group company, we are also working to eliminate the use of paper, in principle.

◆ Contribution through Support to Clients (Green Innovation by IT)

Deploying "Aisaku" to Lower Environmental Impact through Reduced Use of Pesticides and Fertilizers

Aisaku, a platform that supports business reforms for agricultural producers and production areas through DX, is aimed at helping agricultural cooperatives and production organizations throughout Japan. By managing data on soil characteristics, pesticides, and fertilizers for each farm, it helps reduce unnecessary use of pesticides and fertilizers and realizes environmentally friendly green agriculture.

Manages information on soil diagnosis results for each farm to visualize the degree of risk of disease outbreak

Promotes recordkeeping of cultivation history based on the environmentally friendly "Kyoto Cultivation Guidelines" for reducing the use of pesticides and chemical fertilizers.

Streamlined inventory management of pesticides and fertilizers required for JGAP certification acquisition

- **Accurate and prompt farm guidance and consultation for compliance with pesticide/fertilizer cultivation standards**

- **Optimized pesticide application rate per farm**
- Reduced risk of yield loss
- Greater protection from contamination by bacteria

- **Prevents unnecessary pesticide/fertilizer purchases**
- Improves administrative efficiency
- Fosters sales price stability

◆ Internal Initiatives (Green Innovation of IT)

Reducing Copy Paper Usage

We have worked continuously to reduce copy paper usage. In fiscal 2021, we used the equivalent of 54.31 million sheets of A4-size copy paper, meeting our target of getting below the fiscal 2020 level (62.07 million sheets). This was largely due to our increased adoption of teleworking since fiscal 2020.

In September 2021, the NTT Group announced its "Transformation to a New Management Style," which included a commitment to reducing paper usage to zero, in principle, by 2025. In line with this commitment, the NTT DATA Group is also working to reduce paper usage to zero by 2025.

Demonstration Test for Realizing a Carbon-Neutral BPO Center and Utilizing Blue Carbon

As part of its climate-related efforts, we are promoting the use of renewable energy under the theme of "green power." In fiscal 2022, for example, we formed an agreement[1] to make Okinawa IT Shinryo Park[2] (Corporate Accumulation Facilities No. 2 and No. 7) carbon-neutral. We have actively developed our BPO business in the same area since 2014, focusing on administrative support, expense reimbursement, and auditing services for the insurance industry and general companies[3]. Under the agreement, all electricity for the two facilities will be provided through non-fossilized certificates[4] (woody biomass and renewable energy power sources) using resources from Okinawa Prefecture, as well as an on-site PPA[5]. This will result in a carbon-neutral BPO center powered by 100% renewable energy under local production for local consumption.

In addition, we conducted a demonstration test to measure the CO_2 absorption of eelgrass, a type of sea grass, with the aim of utilizing blue carbon[6], which is attracting worldwide attention as a means of reducing CO_2 emissions. Based on the results of the test, we will contribute to the government's efforts related to address carbon sinks by using blue carbon ecosystems and other measures, while promoting the practical application of such ecosystems at a sustainable cost.

[1] Agreement made on April 27, 2022, between NTT DATA Corporation, NTT DATA Smart Sourcing Corporation, Okinawa Electric Power Company, Incorporated, and Okinawa New Energy Development Co., Inc. (carbon neutrality scheduled for December 2022).

[2] The largest concentration park for IT companies in Okinawa Prefecture, earmarked to become a major base for information and telecommunications industries in Japan and abroad (38 companies in IT and other industries are tenants of the park).

[3] In Facility No. 2, NTT DATA Smart Sourcing Corporation provides BPO services for general companies, and in Facility No. 7, NTT DATA's Insurance IT Services Division provides BPO services for insurance companies.

[4] Tradable certificates showing the environmental value of electricity derived from non-fossil energy sources.

[5] Power purchase agreement (PPA): A system whereby a company that owns and manages photovoltaic power generation equipment installed on a site, roof, or other space provided by a facility owner provides electricity generated by that system to the user of the facility for a fee.

[6] Carbon absorbed and accumulated from the atmosphere through the activities of marine ecosystems. Image of Demonstration Project.
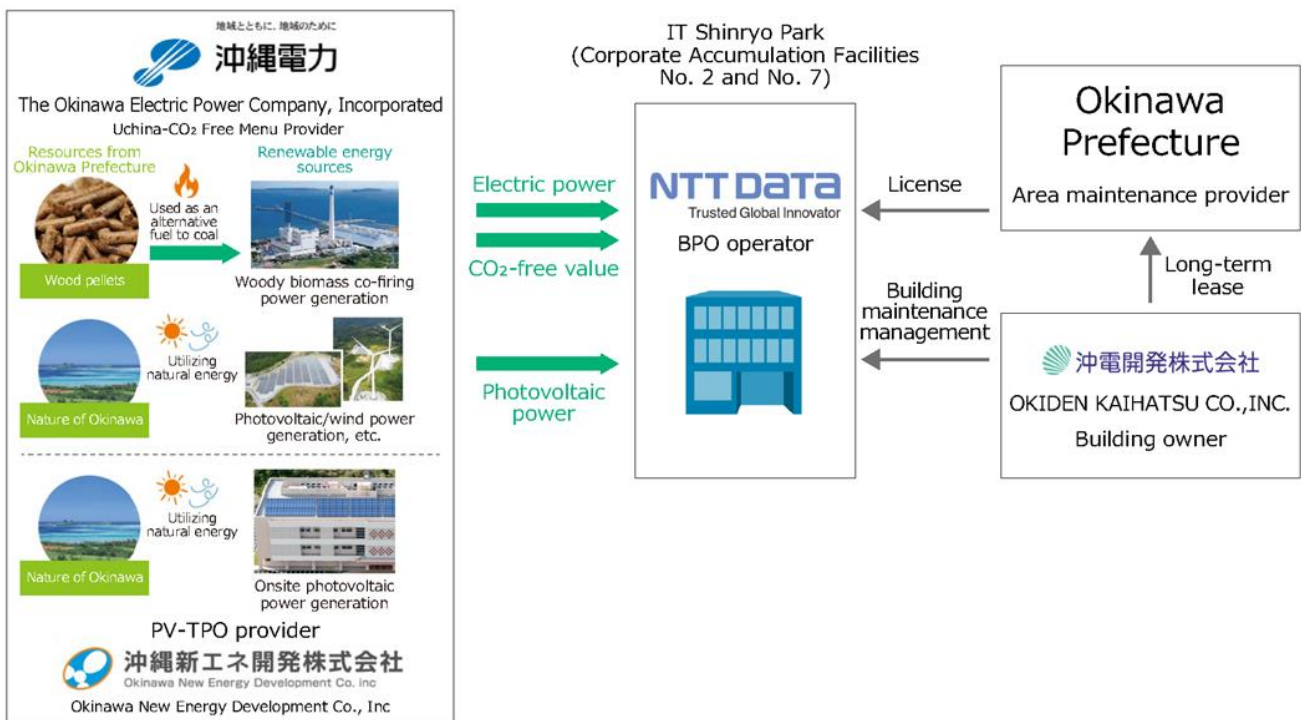
Environmental Management System: ISO 14001 Certification

◆ Management System for Organizations Certified by NTT DATA Group ISO 14001 Certification

In 1999, NTT DATA acquired ISO 14001 certification, the international standard for environmental management systems. Since 2004, we have also acquired Group certification, including for some domestic Group companies, and have built a cross-Group environmental management system (Group EMS). These efforts are spearheaded by the Eco Activity Promotion Committee, chaired by a senior vice president and representative director, and the Eco Activity Liaison Committee, consisting of environmental officers and advocates from each ISO 14001–certified division and Group company. Group companies that have received ISO 14001 certification have also appointed environmental supervisors to establish a Group-wide environmental management promotion system. Items of particular importance discussed by both committees are reported to the Board of Directors. In addition, the Eco Activity Liaison Committee meets several times a year to communicate with Group organizations and resolve issues through the PDCA cycle. Group companies that have not yet obtained ISO 14001 certification have also appointed environmental supervisors to strengthen our environmental management promotion system.

➢ **Management System for Promoting Environmental Activities in Organizations with ISO 14001 Group Certification**
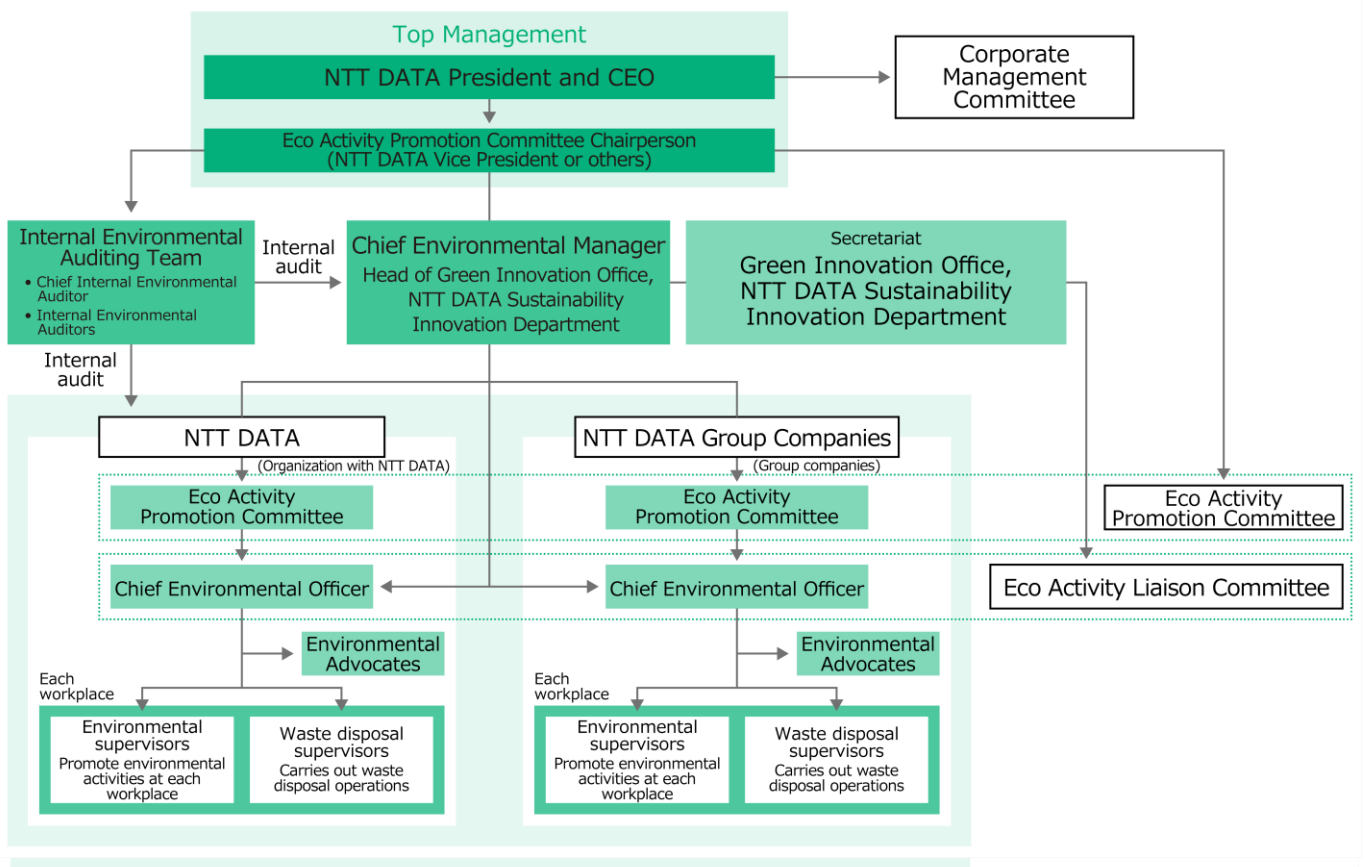
◆ Acquiring ISO 14001 Certification

As of August 31, 2021, a total of 30 companies had acquired ISO 14001 Group certification, whereas two brands and five other companies had gained independent certification. As a result, companies with ISO 14001 Group certification accounted for 57% of Group net sales and those with independent certification accounted for 6% of net sales, for total coverage of 63%.

The environmental management system of each company is audited annually by an auditing organization to maintain ongoing certification.

➢ **Status of ISO 14001 Certification (as of August 31, 2021)**

NTT DATA Group Entities That Have Acquired Group Certification	
NTT DATA Corporation	NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.
NTT DATA HOKKAIDO Corporation	NTT DATA CCS CORPORATION (Head Office, data center)
NTT DATA TOHOKU Corporation	JSOL Corporation (Tokyo Head Office)
NTT DATA SHINETSU Corporation (Head Office, Niigata Branch)	NTT DATA SYSTEM TECHNOLOGIES INC.*
NTT DATA TOKAI Corporation (Head Office)	NTT DATA SEKISUI SYSTEMS Corporation (Osaka Head Office, Tokyo Head Office)
NTT DATA HOKURIKU Corporation	NTT DATA INTELLILINK Corporation
NTT DATA KANSAI Corporation (Head Office)	NTT DATA SOFIA Corporation (Head Office)
NTT DATA CHUGOKU Corporation (Head Office)	NTT DATA DAICHI Corporation (Head Office)
NTT DATA SHIKOKU Corporation (Head Office, Kagawa Office)	DACS Co., Ltd. (Head Office, Tokyo Branch, Osaka Data Center, BPO Center)
NTT DATA KYUSHU Corporation	NTT DATA BUSINESS SYSTEMS Corporation
NTT DATA i Corporation	NTT DATA FINANCIAL CORE Corporation*
NTT DATA WAVE Corporation	NTT DATA FRONTIER Corporation
NTT DATA SMS Corporation	NTT DATA MANAGEMENT SERVICE Corporation (Head Office, Tokai Branch, Kansai Branch)
NTT DATA CUSTOMER SERVICE Corporation (Head Office)	NTT DATA UNIVERSITY Corporation
NTT DATA NJK Corporation (Head Office)	XNET Corporation (Head Office)
NTT DATA Group Entities That Have Acquired Certification Independently	
Japan Information Processing Service Co., Ltd. (JIP)	aunav
NTT DATA MSE CORPORATION	NTT DATA Italia S.p.A.
NTT DATA Spain, S.L.U and Affiliates	NTT DATA Romania S. A.
NTT DATA Europe & Latam Green Engineering, S.L.U.	NTT DATA UK Limited

* On April 1, 2022, NTT DATA SYSTEM TECHNOLOGIES INC. and NTT DATA FINANCIAL CORE Corporation were merged to form NTT DATA Financial Technology Corporation.

◆ Internal Environmental Audits

NTT DATA Group companies that have acquired ISO 14001 certification periodically conduct internal environmental audits to verify conformance with ISO 14001 specifications and PDCA cycle functionality. For internal audits of Group EMS organizations, in fiscal 2021 one actual audit was performed by external experts and internal environmental auditors from other organizations, and one self-audit was performed by internal environmental auditors on their own organizations. We also hold meetings before and after audits to confirm audit items and the status of Group-wide environmental management systems, as well as to share examples of recommended organizational activities and areas for subsequent improvement. In these ways, we work continuously to improve the Group's environmental protection activities.

NTT DATA Group EMS organizations are required to elect at least one internal auditor. With the expansion of Group companies that have acquired ISO 14001 certification, we have upgraded our audit system, which now includes 96 internal environmental auditors (as of August 31, 2022). Selected internal auditors are invited to participate as members of audit teams in the internal audits of other organizations so that they can learn about the successful activities of such organizations and utilize them to improve their own activities.

To implement more appropriate and effective internal environmental audits, our internal environmental auditors share their expertise with each other. We also actively foster internal environmental auditors to improve their medium- to long-term capabilities by, for example, holding study sessions with outside experts.

➢   **Results of Internal Environmental Audits in Fiscal 2021**

Implementation Period	Actual audits: July 8–September 21, 2021; Self-audits: Coordinated by each organization
Target organization/company	NTT DATA: Actual audits: 8 organizations, 2 buildings; Self-audits: 28 organizations, 13 buildings
	Group companies: Actual audits: 12 companies
Audit results	Actual audits: 0 serious cases, 3 minor cases, 12 cases of room for improvement, 42 recommendations
	Self-audits: 6 serious cases, 5 minor cases, 27 cases of room for improvement, 2 recommendations

◆   Environmental Management Targets and Achievement Status

➢   **Fiscal 2022 NTT DATA Group Environmental Targets**

	Goal	Target Definition	FY2022 Target	Medium-Term Targets	Long-Term Targets
Reduce the environmental impact of society and clients	Reduce the environmental impact of society through IT	Examples of new business creation/expansion through green innovation	Create 60 sustainability-related offerings (5 for each business division)	Create 300 sustainability-related offerings (FY2025)	
Reduce impact of our Group	Reduce GHG emissions[1]	Scope 1 & 2	15% reduction or more (vs. FY2020)	FY2030: 60% reduction (vs. FY2016) FY2040: Carbon neutral	FY2025: Net zero (Scope 1, 2, & 3)
		Scope 3	96.19 t reduction or more (YOY)	FY2030: 55% reduction (vs. FY2016)	
	Reduce amount of copy paper purchased[2,3]	Amount purchased (No. of sheets)	25% reduction or more (vs. FY2020)	FY2025: Zero purchase (e.g., except for client purposes)	
	Reduce final waste disposal amount[2,3] (except construction waste)	Recycling rate	General/industrial waste: 99% or more	FY2030: 99% or more	
			Construction waste: 87% or more		
Become an environmentally advanced Group	Social and environmental contribution activities	Number of participants (persons)	5,000 or more		

*1 Scope of data collection: NTT DATA Group consolidated companies (including inside and outside Japan)

*2 Scope of data collection: 29 Group companies, including NTT DATA Corporation, that have acquired ISO 14001 Group certification

*3 Figures exclude the effective use of thermal energy (thermal recycling) generated by incineration at the time of final disposal.

➢ **NTT DATA Group Environmental Targets and Results in Fiscal 2021**

Goal	Target Definition	Benchmark (Base Year)	FY2021		
			Target	Performance	Result
Reduce the environmental impact of society through IT[1]	Examples of new business creation/expansion through green innovation	—	Formulate company-wide green strategy	Formulate overall strategy for NTT DATA Carbon-neutral Vision 2050 (FY2022–2025) - Create 300 sustainability-related offerings (FY2025) - Target: 60 in FY2022	o
Reduce GHG emissions[2] ☑	Scope 1, 2, & 3 (SBT (Annual reduction of around 4.2% from base year))	$t\text{-}CO_2$ (FY2016)	28% reduction or more ($t\text{-}CO_2$ or less)	1,778,859 $t\text{-}CO_2$	Δ[5]
Reduce amount of copy paper purchased[3,4]	Amount purchased (gross amount converted to number of sheets)	—	YOY reduction (62.07 million or less)	54.31 million	o
Reduce final waste disposal amount[3,4]	Final waste disposal amount (gross)	207 t (FY2013)	90% reduction or more (20.7 t or less)	20.4 t	o
	Final waste disposal ratio (Amount disposed/Amount generated)	—	1.0% or less	0.44%	o
Social and environmental contribution activities[3]	Number of participants (persons)	—	3,500 or more	10,464	o

[1] Scope of data collection: 75 Group companies, including NTT DATA Corporation (domestic only)

[2] Scope of data collection: NTT DATA Group consolidated companies (including inside and outside Japan)

[3] Scope of data collection: 30 Group companies, including NTT DATA Corporation, that have acquired ISO 14001 Group certification

[4] Figures exclude the effective use of thermal energy (thermal recycling) generated by incineration at the time of final disposal.

[5] Total Scope 1, 2, & 3 emissions decreased by 25% vs. FY2016; Scope 3 emissions increased due to the expansion of the Group's business scale, etc.

Compliance with Laws and Regulations

We determine items that require monitoring and measurement with respect to various laws and regulations, including Japan's Law Concerning the Rational Use of Energy (Energy Conservation Act) and the Waste Management and Public Cleansing Law, while periodically confirming the status of compliance. Moreover, we address the need to monitor, measure, and report on the volume of CO_2 emissions in accordance with Japan's Law Concerning the Promotion of Measures to Cope with Global Warming and the Ordinance on Environmental Protection issued by the Tokyo Metropolitan Government. In fiscal 2021, we committed no violations of environmental regulations.

➢ **Major Laws and Regulations and the Scope and Number of Facilities Impacted in Fiscal 2021**

Major Laws and Regulations	Target Items	Number of Facilities Impacted
Energy Conservation Act	Facilities using 3,000 kl/year or more (crude oil equivalent)	14
	Facilities using 1,500 kl/year or more (crude oil equivalent)	4
Air Pollution Control Act	Smoke-generating facilities	17
Water Quality Pollution Control Act	Number of oil storage and other facilities	66
Sewerage Service Act	Facilities generating 50 m^3 or more of wastewater per day	6

Environmental Education

◆ Business- and Role-Specific Environmental Education

The NTT DATA Group provides training for all employees in Japan using e-learning to promote understanding of the importance of ESG, including environmental activities. For the Group's EMS organizations, we provide e-learning "education for environmental officers," which includes a course for environmental managers, environmental advocates, and environmental supervisors, as well as a course for waste-disposal supervisors. We also provide added training tailored to the attributes of each workplace.

In fiscal 2022, we plan to revise the content of our education to gain a better understanding of new material issues (materiality) related to sustainability management. Overseas, we are addressing issues according to the circumstances of each country.

➤ **Number of Employees Who Took e-learning Courses in Fiscal 2021**

Name of Training Session	Number of Participants
ESG management	40,437
Education for environmental officers	1,076

Environmental contribution and Communication

◆ Social and Environmental Contribution Activities

To promote awareness activities set forth in the NTT DATA Group's environmental policies, we strive to raise awareness about environmental issues by educating our employees and temporary staff through social and environmental contribution activities. To encourage participation in these activities across all Group organizations, we have set yearly targets for participation numbers continuously since fiscal 2010.

Due to the impact of COVID-19, since fiscal 2020 each of our organizations has engaged in new initiatives instead of traditional activities. These include volunteer activities for children using the Internet and internal study sessions to promote understanding of the SDGs. We will continue exploring various activities at each workplace, unbound by conventional methods.

➤ **Number of Participants in Social and Environmental Contribution Activities in Fiscal 2021**

Social and Environmental Contribution Activities	
Number of participants	10,464

Environmental Data

◆ Fiscal 2021 Environmental Impact Data (Global, Consolidated)

		Unit	FY2018	FY2019	FY2020	FY2021
Scope 1	Emissions	t-CO$_2$e	8,851	9,057	7,241	9,613
	Coverage rate of data (sales)	%	100	100	100	100
Scope 2	Location basis	t-CO$_2$e	183,842	171,173	170,807	165,748
	Coverage rate of data (sales)	%	100	100	100	100
	Market basis	t-CO$_2$e	185,278	159,672	155,165	130,066
	Coverage rate of data (sales)	%	100	100	100	100
Scope 3	Emissions	t-CO$_2$e	1,062,116	1,862,634	1,547,027	1,639,180
	Coverage rate of data (sales)	%	100	100	100	100
Energy	Total usage of nonrenewable energy	MWh	588,179	589,694	581,545	(607,547)[1]
						314,039[1]
	Total usage of renewable energy	MWh	102,651	100,931	59,938	92,077
	Coverage rate of data (sales)	%	84	100	100	100
Water	Total water usage	million m^3 [2]	0.8	0.74	0.86	0.93
	Coverage rate of data (sales)	%	67	91	87	95
Waste	Total amount reused/recycled	t	5,262[2]	4,862	3,395	5,131
	Total final disposal of waste	t	82	312	865	57
	Amount sent to landfill	t	70[2]	251	733	40
	Amount incinerated with energy recovery	t	39[2]	60	132	17
	Amount incinerated without energy recovery	t	0	0	0	0
	Amount disposed of using other methods	t	0	0	0	0
	Amount disposed of using unknown methods	t	0	0	0	0
	Coverage rate of data (sales)	%	67	75	72	88
Data center efficiency	Power usage efficiency[3]		1.7	1.6	1.6	1.7
	Coverage rate of data (no. of data centers)	%	58	58	60	64
Percentage of renewable energy in data centers	Total energy usage in data centers	MWh	501,904	458,634	449,135	347,399
	Percentage of renewable energy of total energy consumption in data centers	%	21	21	13	39

(Scope of data collection: NTT DATA Group consolidated companies)

*1 The energy scope was revised in line with the NTT Group's scope definitions from its FY2021 results, but the previous scope definition is used in this table. Two figures are shown for FY2021 (figure in the upper row based on the previous scope; figure in the lower row based on the revised scope 2).

*2 Scope of data collection is limited to Japan.

*3 This figure refers to partial Power Usage Effectiveness (pPUE).

◆ Fiscal 2021 Environmental Impact Data (Group companies in Japan)

Environmental Data		Unit	Amount
Paper resources	Paper resources: Total volume used (including paper from virgin pulp and recycled paper)	t	304
	Office paper	t	300
	Client services (e.g., leaflets, pamphlets, instruction manuals)	t	4
	Amount of total paper from virgin pulp	t	277
	Office paper	t	272
	Client services (e.g., leaflets, pamphlets, instruction manuals)	t	4
Global warming	Greenhouse gas emission (CO_2) conversion[1]	t-CO_2e	101,033
	Carbon dioxide (CO_2 emissions)	t-CO_2e	100,537
	Electricity use	t-CO_2e	93,970
	Gas/fuel use	t-CO_2e	2,972
	Heat use	t-CO_2e	2,353
	Company vehicle use	t-CO_2e	1,242
	Methane (CH_4) emissions	t-CO_2e	8
	Furnaces	t-CO_2e	6
	Shipping (automobiles, ships)	t-CO_2e	2
	Dinitrogen monoxide (N_2O) emissions	t-CO_2e	57
	Furnaces	t-CO_2e	3
	Shipping (automobiles, ships)	t-CO_2e	55
	Hydrofluorocarbon (HFC) emissions[2]	t-CO_2e	417
	Perfluorocarbon (PFC) emissions	t-CO_2e	2
	Sulfur hexafluoride (SF_6) emissions	t-CO_2e	11
	Low-pollution vehicles owned	Vehicles	758
	Hybrid vehicles	Vehicles	191
	Certified fuel-saving or low-emission vehicles (gasoline-powered vehicles)	Vehicles	533
	Electric vehicles	Vehicles	2
	Others	Vehicles	32
	Low-pollution vehicles introduced during the period	Vehicles	8
	Hybrid vehicles	Vehicles	7
	Certified fuel-saving or low-emission vehicles (gasoline-powered vehicles)	Vehicles	0
	Electric vehicles	Vehicles	0
	Others	Vehicles	1
	Sustainable/new energy systems installed	Units	4
	Solar power systems	Units	4
	Hybrid (solar and wind power) systems	Units	0
	Cogeneration systems (CGS)	Units	0
	Sustainable/new energy systems installed during the period	Units	0
	Solar power systems	Units	0
	Hybrid (solar and wind power) systems	Units	0
	Cogeneration systems (CGS)	Units	0
	Electric power generated by sustainable/new energy systems	kWh	722,724
	Solar power systems	kWh	722,724
	Electric power generated by sustainable/new energy systems introduced during the period	kWh	0
	Solar power systems	kWh	0
Waste countermeasures	Industrial waste requiring special management, etc.		
	Asbestos removed (from buildings) during the period	Cases	5
	Asbestos emissions (from buildings) during the period	t	27
	Waste batteries	t	0
	Other waste (e.g., acidic ash, alkali, oil)	t	0
	Use of products containing PCBs	Units	0
	Transformers	Units	0
	PCB-containing products renewed (removed, stored) during the period	Units	0
	Transformers	Units	0
	Stabilizers	Units	0
	Storage of PCB-containing products	Units	0
	Transformers	Units	0
	Stabilizers	Units	0
	Disposal of PCB-containing products during the period	Units	0
	Transformers	Units	0
	High-voltage condensers	Units	0
	Low-voltage condensers	Units	0
	Stabilizers	Units	0

Environmental Data		Unit	Amount
Ozone layer protection	Removal of air-conditioning system units using chlorofluorocarbons (CFCs) during the period		
	Removal of air-conditioning system units using specified CFCs	Units	0
	Removal of air-conditioning system units using alternative hydrochlorofluorocarbons (HCFCs)	Units	15
	Removal of air-conditioning system units using alternative hydrofluorocarbons (HFCs)	Units	41
	Recovery and destruction of specified CFCs used for air-conditioning systems	kg	0
	Recovery and destruction of alternative HCFCs used for air-conditioning systems	kg	195
	Recovery and destruction of alternative HFCs used for air-conditioning systems	kg	543
	Use of air-conditioning system units using CFCs		
	Air-conditioning system units using specified CFCs	Units	11
	Air-conditioning system units using alternative HCFCs	Units	131
	Air-conditioning system units using alternative HFCs	Units	2,161
	Specified CFCs used for air-conditioning systems	kg	3,168
	Alternative HCFCs used for air-conditioning systems	kg	6,615
	Alternative HFCs used for air-conditioning systems	kg	62,150
	Storage of air-conditioning system units using CFCs		
	Storage of air-conditioning system units using specified CFCs	Units	0
	Storage of air-conditioning system units using alternative HCFCs	Units	4
	Storage of air-conditioning system units using alternative HFCs	Units	25
	Stored amount of specified CFCs used for air-conditioning systems	kg	0
	Stored amount of alternative HCFCs used for air-conditioning systems	kg	7
	Stored amount of alternative HFCs used for air-conditioning systems	kg	100
	Use of vehicles using CFCs		
	Number of Company vehicles that employ CFCs in air-conditioner refrigerants	Vehicles	0
	Number of Company vehicles that employ HCFCs in air-conditioner refrigerants	Vehicles	0
	Number of Company vehicles that employ HFCs in air-conditioner refrigerants	Vehicles	765
	Use of CFCs in vehicle air conditioners	kg	0
	Use of HCFCs in vehicle air conditioners	kg	0
	Use of HFCs in vehicle air conditioners	kg	1,852
	Elimination of specified CFC fire prevention equipment		
	Buildings from which specified CFC fire prevention equipment was removed during the period	Buildings	1
	Amount of specified CFCs removed from fire prevention equipment during the period	kg	352
	Amount of specified CFC gas emitted by fire prevention equipment during the period	kg	0
	Remaining number of buildings employing specified CFC fire prevention equipment	Buildings	14
	Remaining specified CFC gas emissions from fire prevention equipment	kg	31,680
Resource usage	Consumption of water resources		
	Clean water consumption	m^3	401,343
	Sewerage water consumption	m^3	253,506
	Gray water consumption	m^3	33,289
	Rainwater consumption	m^3	0
	Consumption of clean, sewerage, and other water (total water consumption)	m^3	23,640

(Scope of data aggregation: 75 domestic Group companies, including NTT DATA)
*1 The CO_2 conversion factor uses the CO_2 emission factor of electric power companies.
*2 Units and emissions from fiscal 2013 include individual freestanding air-conditioning units as well as central air-conditioning units.

➢ **Fiscal 2021 Recycling Amounts**

Primary Category	Subcategory	Recycled Amount
Company computers	Recycled amount (number of units)	9,117
	Reused amount (number of units)	25,409
Thermal recycling	Recycled non-industrial waste (kg)	360,842
	Recycled industrial waste (kg)	550,834
	Recycling of industrial waste requiring special treatment (kg)	8

(Scope of data aggregation: 75 domestic Group companies, including NTT DATA)

➢ **Office Waste in Fiscal 2021**

Primary Category		Subcategory	Emissions (kg)	Recycled Amount (kg)	Waste Disposal Amount (kg) Disposal Method Incineration	Landfill Amount	Unknown	Final Disposal (kg)	Recycling Rate (%)	Final Disposal Rate (%)
Recyclable waste, etc.[1]		Plain copy paper (e.g., photocopy and OA paper)	122,680	122,680	0	0	0	0	100	0
		Newspapers, magazines, cardboard, miscellaneous recyclable paper	791,185	791,185	0	0	0	0	100	0
		Glass (e.g., bottles)	2,377	2,377	0	0	0	0	100	0
		Scrap metal (e.g., cans)	3,055	3,055	0	0	0	0	100	0
		Plastic (PET) bottles, etc.	6,613	6,613	0	0	0	0	100	0
		Subtotal 1	925,910	925,910	0	0	0	0	100	0
Non-industrial waste		Plastics	6,037	5,845	0	192	0	192	97	3
		Combustible waste	463,645	459,337	4,308	0	0	431	99	0
		Incombustible waste	20,479	18,633	0	1,846	0	1,846	91	9
		Unsorted waste	8,875	630	8,245	0	0	825	7	9
		Subtotal 2	499,036	484,445	12,553	2,038	0	3,293	97	1
Industrial waste	from offices	Waste plastics	367,406	366,539	285	582	0	611	100	0
		Scrap metal	521,966	521,966	0	0	0	0	100	0
		Refuse glass, waste ceramics	58	57	0	1	0	1	98	2
		Discarded electric machinery and appliances	283,599	283,317	95	188	0	197	100	0
		Waste batteries	83	83	0	0	0	0	100	0
		Product waste containing mercury	235	108	126	2	0	14	46	6
		Stable mixed waste	135,088	135,065	23	0	0	2	100	0
		Other	20,370	19,070	0	1,300	0	1,300	94	6
		Subtotal 3	1,328,806	1,326,205	528	2,073	0	2,125	100	0
	Produced through operations	Waste plastic	235,596	229,426	50	6,120	0	6,125	97	3
		Scrap metal	1,077,636	1,077,635	0	0	0	0	100	0
		Refuse glass, ceramic waste	118,904	118,894	0	10	0	10	100	0
		Wastepaper (only includes paper from the printing business)	6,970	6,970	0	0	0	0	100	0
		Waste wood (only includes wood from the warehouse and distribution businesses)	2,695	2,685	10	0	0	1	100	0
		Discarded electric machinery and appliances	230,336	230,201	0	135	0	135	100	0
		Medical measuring equipment	0	0	0	0	0	0	0	0
		Waste batteries	552	549	0	3	0	3	99	1
		Product waste containing mercury	2,434	2,423	0	11	0	11	100	0
		Stable mixed waste	120,546	114,566	0	5,980	0	5,980	95	5
		Controlled mixed waste	106,992	106,687	205	100	0	121	100	0
		Waste oil	2,646	2,262	164	220	0	236	85	9
		Waste acid	0	0	0	0	0	0	0	0
		Waste alkali	0	0	0	0	0	0	0	0
		Sludge	32,740	32,740	0	0	0	0	100	0
		Waste containing asbestos	0	0	0	0	0	0	0	0
		Other	0	0	0	0	0	0	0	0
		Subtotal 4	1,938,047	1,925,039	429	12,579	0	12,622	99	1
Industrial waste requiring special treatment		Flammable waste oil	10	10	0	0	0	0	100	0
		Waste acid with a Ph of 2.0 or less	874	487	0	387	0	387	56	44
		Waste alkali with a Ph of 12.5 or higher	200	200	0	0	0	0	100	0
		Infectious waste	8	8	0	0	0	0	100	0
		Specified hazardous industrial waste (discarded mercury)	0	0	0	0	0	0	0	0
		Specified hazardous industrial waste (other)	0	0	0	0	0	0	0	0
		Subtotal 5	1,092	705	0	387	0	387	65	35
Grand total (Subtotals 1–5 combined)			4,692,891	4,662,304	13,510	17,077	0	18,427	99%	0%

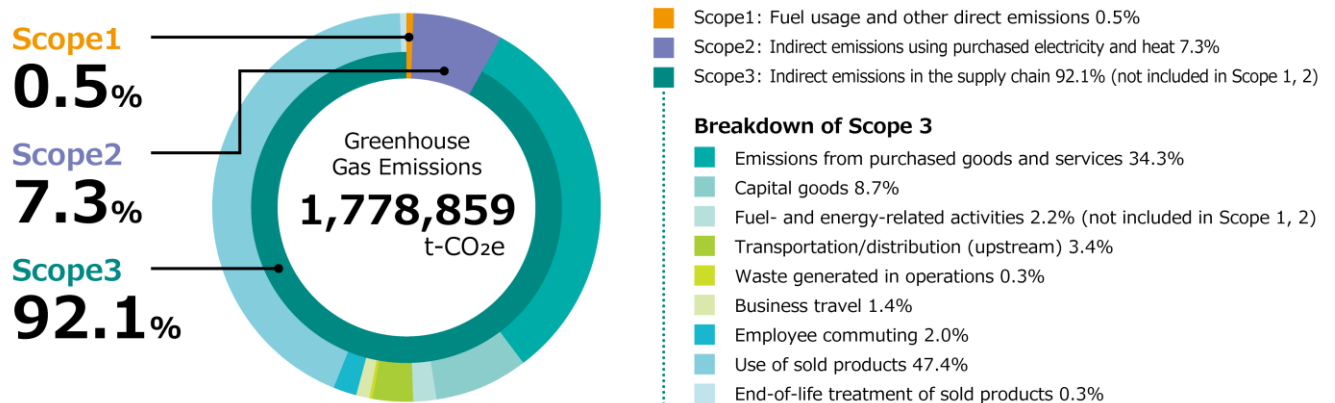(Scope of data aggregation: 75 domestic Group companies, including NTT DATA)
1. "Recyclable waste" represents waste material that can be completely recycled.

◆ Greenhouse Gas Emissions in the Value Chain

To reduce the risks of climate change and realize a low-carbon society, it is important to engage in energy-saving measures not only for the Company's facilities but also for the overall society. We integrate environmental considerations into all aspects of our corporate activities. To this end, from fiscal 2013 we broadened the scope of our aggregated calculation of GHG emissions and began management under Scope 3, which calculates the aggregate amount of these emissions by considering product and service life cycles, from procurement to distribution and final disposal. For Scope 1 and 2, we added data from overseas operations to data obtained from a third-party certifier. As a result, total greenhouse gas emissions of the NTT DATA Group were 1,778,859 t-CO_2e in fiscal 2021.

Building on this result, the entire Group will seek to identify more effective carbon-reduction initiatives and embrace challenges together with clients and business partners.

➢ **Emission Rates by Scope in Fiscal 2021**

Scope1
0.5%

Scope2
7.3%

Scope3
92.1%

Greenhouse Gas Emissions
1,778,859 t-CO_2e

■ Scope1: Fuel usage and other direct emissions 0.5%
■ Scope2: Indirect emissions using purchased electricity and heat 7.3%
■ Scope3: Indirect emissions in the supply chain 92.1% (not included in Scope 1, 2)

Breakdown of Scope 3
■ Emissions from purchased goods and services 34.3%
■ Capital goods 8.7%
■ Fuel- and energy-related activities 2.2% (not included in Scope 1, 2)
■ Transportation/distribution (upstream) 3.4%
■ Waste generated in operations 0.3%
■ Business travel 1.4%
■ Employee commuting 2.0%
■ Use of sold products 47.4%
■ End-of-life treatment of sold products 0.3%

We receive third-party verification at each business site.
[Japan & North America]
We received third-party verification of our GHG emissions (Scope 1, 2, and 3), energy consumption, and water consumption in fiscal 2021 from LRQA Limited.

Verification of Scope 1 and 2 emissions, energy consumption, and renewable energy consumption applies to all organizations of NTT DATA and 91 consolidated Group companies in Japan, United States, and India. Verification of water consumption applies to all organizations of NTT DATA and 75 domestic consolidated Group companies. Verification of Scope 3 applies to all organizations of NTT DATA and 207 domestic and overseas consolidated Group companies.

[EMEAL]
We received third-party verification of our GHG emissions (Scope 1 and 2) from AENOR INTERNACIONAL, S.A.U., in fiscal 2021. The scope of the verification covered 86 sites in Europe, Latin America, and Africa.

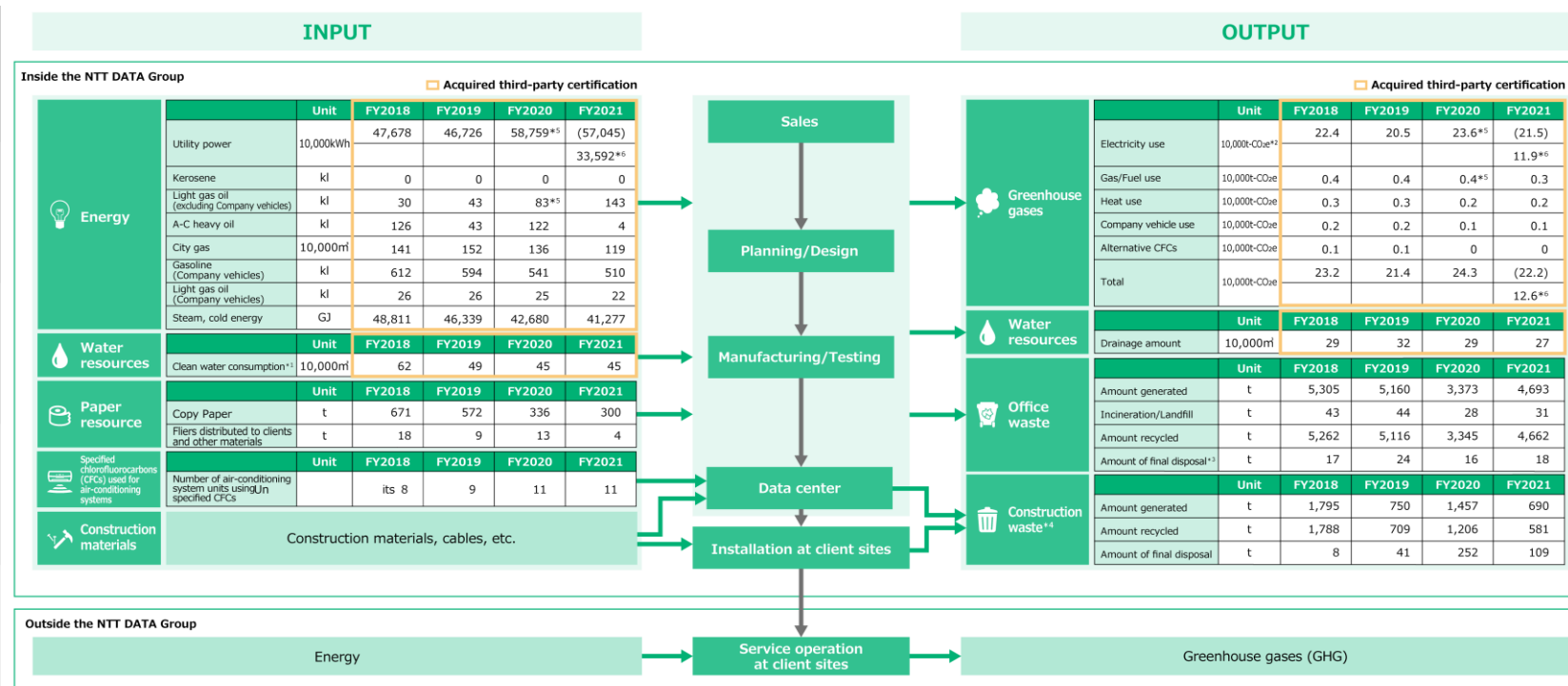➢ **Summary of Third-Party Certified Data* in Fiscal 2021** ☑

Direct GHG emissions (Scope 1)	5,400 t-CO_2e
Indirect GHG emissions from energy sources (Scope 2, market basis)	121,158 t-CO_2e
Indirect GHG emissions from energy sources (Scope 2, location basis)	152,249 t-CO_2e
Other indirect GHG emissions (Scope 3)	1,639,180 t-CO_2e
Energy consumption	356,169 MWh
Renewable energy consumption	70,682 MWh
Water consumption	446,452 m^3
Wastewater	265,326 m^3

*Scope of data collection: Japan and North America

Overview of Our Environmental Impact (Material Flows)

To minimize the environmental impact of its business activities, the NTT DATA Group monitors and analyzes at what stage and how resources and energy are used and the environmental impact generated.

The environmental impact of the Group's business activities derives primarily from GHG emissions resulting from the consumption of energy, mainly as electric power. Other factors, such as the use of paper and water resources and the construction of data centers, also have environmental impacts of various magnitudes. In addition, we cannot ignore the environmental impact of energy consumption resulting from the operation of systems and services provided by the Group at client companies. For these reasons, we strive to correctly ascertain and analyze the environmental impact of our business activities and utilize the findings to make various improvements.

INPUT

Inside the NTT DATA Group — ☐ Acquired third-party certification

Energy

	Unit	FY2018	FY2019	FY2020	FY2021
Utility power	10,000kWh	47,678	46,726	58,759*5	(57,045)
					33,592*6
Kerosene	kl	0	0	0	0
Light gas oil (excluding Company vehicles)	kl	30	43	83*5	143
A-C heavy oil	kl	126	43	122	4
City gas	10,000㎥	141	152	136	119
Gasoline (Company vehicles)	kl	612	594	541	510
Light gas oil (Company vehicles)	kl	26	26	25	22
Steam, cold energy	GJ	48,811	46,339	42,680	41,277

Water resources

	Unit	FY2018	FY2019	FY2020	FY2021
Clean water consumption*1	10,000㎥	62	49	45	45

Paper resource

	Unit	FY2018	FY2019	FY2020	FY2021
Copy Paper	t	671	572	336	300
Fliers distributed to clients and other materials	t	18	9	13	4

Specified chlorofluorocarbons (CFCs) used for air-conditioning systems

	Unit	FY2018	FY2019	FY2020	FY2021
Number of air-conditioning system units using specified CFCs	Units	8	9	11	11

Construction materials

Construction materials, cables, etc.

Sales → Planning/Design → Manufacturing/Testing → Data center → Installation at client sites

OUTPUT

☐ Acquired third-party certification

Greenhouse gases

	Unit	FY2018	FY2019	FY2020	FY2021
Electricity use	10,000t-CO₂e*2	22.4	20.5	23.6*5	(21.5)
					11.9*6
Gas/Fuel use	10,000t-CO₂e	0.4	0.4	0.4*5	0.3
Heat use	10,000t-CO₂e	0.3	0.3	0.2	0.2
Company vehicle use	10,000t-CO₂e	0.2	0.2	0.1	0.1
Alternative CFCs	10,000t-CO₂e	0.1	0.1	0	0
Total	10,000t-CO₂e	23.2	21.4	24.3	(22.2)
					12.6*6

Water resources

	Unit	FY2018	FY2019	FY2020	FY2021
Drainage amount	10,000㎥	29	32	29	27

Office waste

	Unit	FY2018	FY2019	FY2020	FY2021
Amount generated	t	5,305	5,160	3,373	4,693
Incineration/Landfill	t	43	44	28	31
Amount recycled	t	5,262	5,116	3,345	4,662
Amount of final disposal*3	t	17	24	16	18

Construction waste*4

	Unit	FY2018	FY2019	FY2020	FY2021
Amount generated	t	1,795	750	1,457	690
Amount recycled	t	1,788	709	1,206	581
Amount of final disposal	t	8	41	252	109

Outside the NTT DATA Group

Energy → Service operation at client sites → Greenhouse gases (GHG)

Data aggregation range
FY2017: NTT DATA and 69 Group companies (Japan only)
FY2018: NTT DATA and 69 Group companies (Japan only)
FY2019: NTT DATA and 72 Group companies (Japan only)
FY2020: NTT DATA and 79 Group companies (domestic and some overseas)
FY2021: NTT DATA and 91 Group companies (domestic and some overseas)

*1 "Water consumption" until FY2017
*2 Indicates CO_2 equivalent
*3 Thermal recycling has been taken into consideration for the calculation of data since FY2015.
*4 Figures for FY2017 and FY2018 increased due to the construction of a new building.
*5 Increase due to expansion of overseas business scope
*6 In the FY2021 disclosure, scope definitions based on the type of service provided at data centers were revised in line with the NTT Group standards.

Environmental Accounting

◆ Strengthening Efforts to Address Climate Change

In fiscal 2021, the Group's actual environmental cost was ¥1,158 million, double the ¥573 million amount of fiscal 2020. With an emphasis on addressing climate change, we are strengthening R&D aimed at realizing NTT DATA Carbon-neutral Vision 2050 and addressing the need for renewable energy and energy conservation.

➢ **Environmental Accounting: Conservation Costs**　　　　　　　　　　　　　　　　　Unit: Millions of yen

Ministry of the Environment's Environmental Accounting Guideline Categories		Major Initiatives	FY2018		FY2019		FY2020		FY2021	
			Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses
Business area costs			42	178	5	256	1	355	53	311
	Pollution prevention costs	Asbestos countermeasures, PCB management, etc.	0	6	0	69	0	102	49	16
	Global environment	Implementation of energy conservation measures; measures to reduce CO_2 emissions through the introduction of outdoor air-cooling devices; elimination of specified CFCs in air-conditioning equipment, etc.	0	0	0	20	0	37	0	127
	Resource recycling costs	Inter-office waste disposal, construction waste countermeasures, office paper curtailment countermeasures, etc.	42	172	5	166	1	216	4	168
Upstream/ Downstream costs		Compliance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	0	0	0	0	0	0	0	7
Activity management costs		Labor costs related to environmental protection activities, ISO certification acquisition, building green, environmental PR, etc.	0	204	0	204	0	210	0	369
R&D costs		Environment-related R&D	0	0	0	1	0	1	0	470
Citizen activity costs		Environmental contribution to regional communities	0	2	0	3	0	7	13	1
Total			42	385	5	464	1	573	66	1,158

(Scope of data aggregation: 75 domestic Group companies, including NTT DATA)

Economy

Clients' Growth

Contents

Corporate Growth to Support a Sustainable Society

Note: "Internal Control" is described in "Corporate Governance."

Relevant Materiality and KPIs

Aiming to grow as a company that supports a sustainable society, the NTT DATA Group is working on three material issues: "Smart X Co-innovation (creating new value through co-creation with various companies to realize a smart and innovative society)," "Trusted Value Chain (protecting security and data privacy to realize safe, secure, and resilient corporate activities)," and "Future of Work (providing new ways of working that enhance performance and EX and promoting work-style reform across society)."

Smart X Co-innovation Creating new value through co-creation with various companies to realize a smart and innovative society

To realize the SDGs (Sustainable Development Goals), great expectations are placed on connecting diverse people, corporations, companies, technologies, systems, data, services, and industries, solving social issues that could not be solved before, and creating new value in society. The NTT DATA Group will promote co-creation with various companies to realize a smart and innovative society while properly identifying and managing the social impact and value created by digital technology.

Trusted Value Chain Protecting security and data privacy to realize safe, secure, and resilient corporate activities

As corporate activities expand globally, it is necessary to correctly understand and manage the impact of corporate activities on society and the environment throughout the entire value chain. We must also build a reliable value chain by properly addressing information security and privacy protection. The NTT DATA Group will protect security and data privacy and realize safe, secure, and resilient corporate activities.

Future of Work Providing new ways of working that enhance performance and EX and promoting work-style reform across society

Amid the global shortage of highly skilled IT personnel, it is necessary to secure and maintain excellent human resources by promoting flexible working styles that meet the diverse needs of employees, implementing appropriate evaluations, and fostering an attractive corporate culture. To this end, it is essential to support employees' career development and flexible working styles. The Group will provide new ways of working to improve performance and EX (Employee Experience), while at the same time promoting work-style reform for society as a whole.

[Reference Page] Nine Material Issues and KPIs

Smart X Co-innovation

Creating new value through co-creation with various companies to realize a smart and innovative society

Basic Policy

The NTT DATA Group will promote the creation of new value through co-creation with various customer companies to realize a smart and innovative society through IT technology. IT solutions play a wide range of roles in solving social issues. We need to develop and provide innovative solutions by appropriately connecting people, companies, technologies, systems, data, services, and industries. To create cross-cutting solutions and services that are not limited to specific industries or the customers in front of us, we will set up a cross-organizational working team within the Company to accelerate the creation and implementation of business ideas.

Recognizing the critical importance of providing clients with safe and secure services, we have established an organized and systematic quality management system and adopted advanced development methods to provide highly reliable solutions. We also conduct customer satisfaction surveys. Based on the opinions and requests that we receive, we carry out improvement activities to provide better services from the customers' perspective.

Innovation Management

◆　"Innovation Center" Activities at Six Sites Around the World

In August 2022, the NTT DATA Group established the Innovation Center at six sites around the world.

The Center will establish bases in countries that are highly sensitive to the latest technologies, identify advanced technologies that will become mainstream in the next 5–10 years, and work to create new businesses through co-creation R&D with customers.

Specifically, the organization consists of the Strategy Headquarters, which formulates technology strategies, and local centers in six countries: Japan, North America, Italy, Germany, China, and India. The Center comprises 100 experts, mainly researchers, consultants, and engineers. In addition to setting technology themes based on technology strategies at each base and promoting shared R&D with leading customers, we collaborate with universities and start-ups to quickly gather leading local technology information and apply it to the next technology strategy. Currently, we are working on technology verification and customer proposals for quantum computing, metaverse, and other products. By the end of fiscal 2025, we aim to increase the number of staff to 300, with the goal of acquiring world-class advanced technology utilization capabilities.

At present, each site is working on the following technical themes. Additions and changes will be considered as needed based on the results of technology selection.

・Japan: NTT laboratories technology (genome, metaverse, quantum computing)
・North America: Customer-contact technologies (digital human, smart city planning)
・Italy and Germany: Data processing and simulation technology (quantum computing, metaverse)
・China: Hardware-related technologies (remote sensing technology (LiDAR), metaverse)
・India: Promoting the establishment of a system as a base for prototype development

➢　**Innovation Center Activities and Action Policy**

Scope of Innovation Center activities

Action policy of the Innovation Center
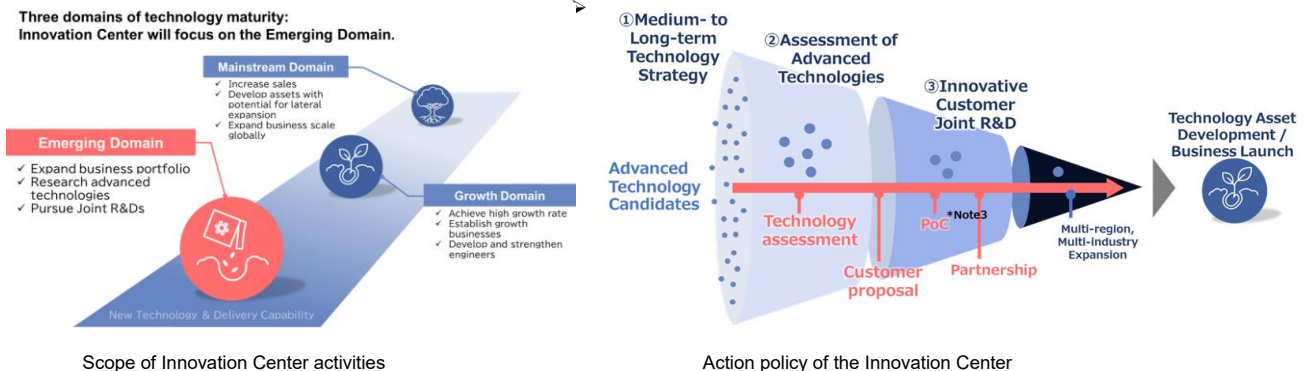
◆ **Activities based on the NTT Group's R&D**
   ～Data Collaboration Infrastructure Architecture Concept～

NTT and NTT Communications are jointly developing technologies for a data collaboration platform that uses technologies provided by NTT. NTT is working to realize a data distribution platform that can protect data sovereignty and to develop a global data collaboration platform architecture.

Joint Development to Realize a Data Distribution Platform That Can Protect Data Sovereignty

NTT DATA and NTT Communications Corporation will work to develop a new data distribution platform that can be interconnected with data distribution platforms operated by German automakers and other companies, based on the technologies provided by NTT and the knowledge acquired through past initiatives. A system for the safe distribution of data between companies and organizations is necessary to solve problems such as achieving carbon neutrality and realizing a resource-recycling society. For example, to achieve carbon neutrality, it is necessary to guarantee the reliability of data without falsification, such as the calculation of the CO_2 emissions of the global value chain, and to establish a system that can distribute emission data between organizations. However, if a data distribution platform is built that reflects the policies of a specific country or region, it will be limited to use in some countries or regions due to differences in business practices and laws and regulations in each country or region, and it will be difficult to distribute data between organizations. As a solution to this problem, we are working with a variety of companies and organizations to study ways to distribute data among them.

🖥 https://www.nttdata.com/jp/ja/news/release/2022/042701/ (Japanese version only)

White Paper on Global Data Collaboration Platform Architecture Concept Released

We prepared and published a white paper on the aforementioned "Joint Development to Realize a Data Distribution Platform That Protects Data Sovereignty." From the perspective of ESG and SDGs, companies are being asked by investors, customers, citizens, and governments to take measures to solve environmental and human rights issues. To solve these problems, it is necessary to establish a system for the safe distribution of data across companies and organizations on a global scale. This white paper introduces issues and initiatives to date for realizing a global data collaboration platform, as well as plans for future demonstration experiments and technology development.

🖥 https://www.nttdata.com/jp/ja/news/information/2022/053100/ (Japanese version only)

◆ **NTT DATA Technology Foresight**

Every year, the Company publishes NTT DATA Technology Foresight, which forecasts future changes driven by information technology. During the formulation process, we analyze political, economic, social, and technological trends. We also gather and discuss a wide range of information through interviews with the NTT DATA Group, NTT Holding Research Laboratories, and experts in various fields in Japan and overseas.

Based on these efforts, the "Introduction" section, which provides an overview of the future while reviewing the changes that IT brings to the world, and the "Latest Trends" section, which summarizes the latest information technology and foresees the future, describe trends and clarify the ways that companies should move forward in the future.

In the 2022 edition, we published three "Introduction" sections and six "Latest Trends" sections. We reviewed the changes that information technology brings to the world and gave an overview of the future. We then delved into these changes for each technological element and presented them together with future forecasts. The report is used on various occasions as a source of information for formulating corporate strategies and as a starting point for discussions.

Through this initiative, we aim to gain and improve the trust of our company toward the co-creation of innovation by broadly demonstrating our foresight and technological capabilities to our customers and establishing a compass that shows trends where information technology is leading.

🖥 https://www.nttdata.com/global/en/foresight/trend-listing/

◆ **Operation of "INFORIUM Toyosu Innovation Center"**

We established the "INFORIUM Toyosu Innovation Center" within our Toyosu Center building Head Office as a place where visitors can experience the cutting-edge technologies that the NTT DATA Group is developing. As a place for creating new businesses with clients, the center offers space for holding workshops on co-creation activities. This space is available to both domestic and international customers.

🖥 https://www.nttdata.com/jp/ja/foresight/inforium/ (Japanese version only)

◆ DATA INSIGHT

Through DATA INSIGHT, we provide information on "people" on the front lines and the latest "technology" trends.

🖥 https://www.nttdata.com/jp/ja/data-insight/ (Japanese version only)

◆ Global Open Innovation "From the Port of Toyosu"

The growing prevalence of the Internet and various other technologies and the falling prices of services have increased the number of cutting-edge venture companies across the world. The NTT DATA Group promotes open innovation, working with venture companies that possess advanced business models and technologies, as well as large client companies, to accelerate the creation of innovative businesses while building win-win relationships with them. We have built a community of more than 4,000 people inside and outside the Company, and our business divisions engage in innovative creation of next-generation social infrastructure in collaboration with venture companies and large client companies. Since launching this activity in 2013, we have collaborated with venture companies in FinTech, energy, digital marketing, healthcare, and various other fields, resulting in the commercialization of multiple businesses to date.

We have held global contests since fiscal 2016. The contests help foster cross-border alliances among venture companies working to resolve numerous issues in various countries, our clients in different countries, and the business divisions of the NTT DATA Group, which has a global network. We also foster the creation of new businesses through true open innovation and help improve the overall strength of the NTT DATA Group worldwide. In fiscal 2018, we launched the SDGs Start-up Program with the aim of resolving issues facing society through open innovation and helping achieve the 17 SDGs set forth by the United Nations. Starting in fiscal 2021, we will search for innovative venture companies throughout the year through the network we have built up over the years. We will also continue to hold open innovation contests in Europe and South America led by each location to address local characteristics. As an example of our achievements through open innovation activities, in September 2021 we opened a walk-through store in Toyosu that enables "cashless payments" without the need for a cash register. This was achieved through collaboration with start-ups that participated in the Global Contest.

🖥 https://oi.nttdata.com/en/
🖥 https://www.nttdata.com/jp/ja/news/release/2021/083001/ (Japanese version only)

Fiscal 2021 Activities

We hold multiple Open Innovation Forums (regular event) each year with the participation of customers, new business managers, and other members of our community. At each event, we invite representatives of start-up companies according to the particular event theme. In fiscal 2021, we selected themes such as finance, disaster prevention, and utilization of medical data based on the specific needs of internal divisions. We also held meetings in cooperation with the Embassy of Canada in Japan and with events sponsored by the Tokyo Metropolitan Government. In addition, based on the needs of our customers and the challenges of our business divisions, we are pursuing open innovation in collaboration with start-ups throughout the year, while also collaborating with contests in Europe and South America.

🖥 https://oi.nttdata.com/schedule/ (Japanese version only)

Human-Centered Design Initiatives

We pay close attention to each individual IT user, whom we view as a potential innovator. With this in mind, we promote the creation of human-friendly information systems based on the human-centered design (HCD)[1] approach. HCD is a step forward from the universal design (UD)[2] concept for systems and services and places greater emphasis on user-friendliness. With HCD, we engage in wide-ranging activities from the user's perspective. These include adopting a "UX design"[3] approach that extends to user satisfaction. To achieve good UX, it is important to adopt a user-focused approach to design in addition to traditional approaches rooted in technology or markets. Since 2002, NTT DATA has been developing human-friendly systems by applying user-oriented design to the system development process in the ICT and IoT fields.

➤ **HCD Viewpoint**

UI	**UD**	**UX**
user interface	universal design	user experience
Face of the system	Accessibility/Usability	Experience gained through the service

➤

1. The concept of designing services and systems according to the needs of users.
2. Design that emphasizes ease of use for all people, irrespective of age, gender, nationality, disability, or individual experience and abilities.
3. UX (user experience) refers to users' experience and emotions obtained by using a particular product or service. UI (user interface) is the point of contact for users of a product or service.

◆ **Tangity™ Design Group**

The NTT DATA Group operates 17 Design Studios* that provide a seamless experience for all aspects of a digital business, from new service planning to prototyping, demonstration testing, and development. We also formed the NTT DATA Design Network, which connects each studio, to facilitate the sharing of human resources and know-how. In addition, we are planning and developing new services in various countries with a wide range of customers, including financial institutions, manufacturing and distribution companies, and government agencies.

In fiscal 2020, we launched a new brand called Tangity™ for the group of designers belonging to this network. By strengthening collaboration among studios, we aim to develop and attract designers in service design fields, including UX-UI, and maximize the value provided by designers to customers and society. In fiscal 2021, more than 800 designers, both in Japan and overseas, worked on more than 600 design-related projects throughout the year.

Who We Are

Global team with 800+ designers, 17 Studios

From the NTTDATA Design Network, which owns 17 design studios worldwide, Tangity was formed with studios in Japan, Italy, England, Germany and China.

Tokyo | Milan | Venice | Roma | London | Munich | Shanghai
Cluj | Madrid (2 studios) | Barcelona (2 studios) | Dallas
Lima | Sao Paulo (2studios) | Santiago de Chile

Tangity

🖳 https://www.nttdata.com/jp/ja/news/release/2020/061501/ (Japanese version only)

*Our Design Studios provide a seamless experience for all aspects of a digital business, from planning to prototyping and beyond. NTT DATA currently has 17 locations, in Tokyo, Milan, Rome, Venice, Cluj-Napoca, Madrid (two locations), Barcelona (two locations), London, Munich, Dallas, San Paolo (two locations), Santiago, Lima, and Shanghai.

Quality Management

Providing reliable systems and services 24 hours a day, 365 days a year is a key responsibility and forms the basis of our customer service commitment. The NTT DATA Group aims to build social infrastructure that people can use with peace of mind. To this end, we engage in various Group-wide initiatives that include obtaining quality management certifications and standardizing our development and management methods.

◆ Initiatives to Improve Quality—Building a Management System Based on ISO 9001 and Promoting Continuous Improvement Activities

NTT DATA obtained ISO 9001 certification—the international standard for quality management systems—on a Group-wide basis in 1998 and subsequently built an organized, systematic quality management system that is currently in operation. We are also focusing on reinforcing our system on a Group-wide basis. Since fiscal 2007, for example, we have created unified rules governing system development and management methods and clarified procedures for applying those rules. Furthermore, in March 2010 we formulated an implementation method that reflects the unified rules and have since expanded that across the Group to improve quality and productivity.

NTT DATA moved quickly to focus on making process improvements and enhancing system development transparency, incorporating Capability Maturity Model Integration (CMMI)* into the formulation of development and operational standards. We recognize the importance of raising quality control standards at development sites, including those of Group companies. Accordingly, we are rolling out CMMI across the Group and sharing quality management–related information.

We have also developed a quality assurance system for overseas Group companies, and with support from Japan we have achieved CMMI Maturity Level 2 in Romania. In addition, we continue to support process improvement utilizing CMMI to offshore locations in China. Through regular opinion exchanges within Asia, we are working to raise quality at overseas Group companies.

*A model managed by the CMMI Institute that expresses the level of maturity of an organization undertaking system development using a five-point scale.

➢ **NTT DATA's Quality Management System (QMS)**
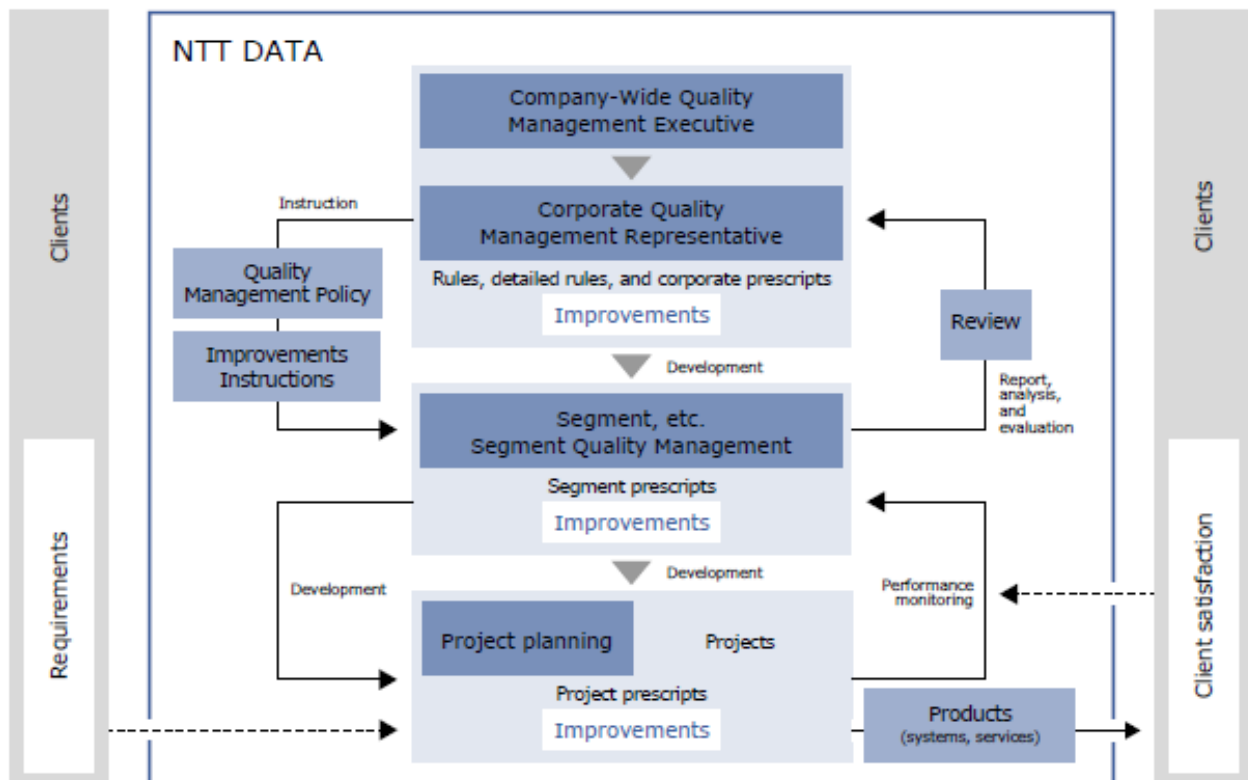
◆ Enhancing and Standardizing Project Management

NTT DATA endeavors to enhance and standardize project management to improve the quality and efficiency of system development. For example, we established the Agile Specialized Team, which applies the agile development methodology to collaborate with clients in creating new businesses and services. We also integrated our R&D organization for production technologies, which includes project management, with our project support organization to establish an innovative Project Management Team.

Establishment of Project Management for Agile Development

Project management for agile development was established to create new businesses in collaboration with clients in response to the growing business need for innovation. Around the world, we have established agile development bases through which we are reinforcing three functions: the cultivation of agile and professional human resources, advanced R&D, and an on-demand, agile development system.

Establishment of Innovative Project Management Techniques

A system was established to conduct R&D on innovative project management methods, reinforce them through verifiable methods familiar to actual worksites and provide them within the Group in a user-friendly manner. We also established the NTT DATA Global Standards, which have unified our standard operating procedures for system development throughout the world, and are taking responsibility for developing next-generation management tools that will raise the efficiency of tracking, quality assurance, and other aspects of management. The system provides complete, one-stop support for the adoption, introduction, and full utilization of solutions. Through expanded utilization of R&D outcomes, the system is improving our Group-wide capabilities and reducing the number of problematic projects.

Quality Management Portal Site

NTT DATA has operated its Quality Management Portal Site since fiscal 2010. Our objective is to enable the sharing of all kinds of quality-related information among our different development locations, including those of Group companies. This site offers responses to quality-related industry standards, consolidates internal rules and expertise, and makes this information accessible to all employees. We will continue deploying our quality assurance expertise to achieve more effective quality control operations.

◆ Human Resource Development Emphasizing System Management Stability

Seeking to stabilize system operations, NTT DATA's Quality Assurance Department promotes IT-SM community activities to develop human resources who will engage in system operation and maintenance.

Our IT-SM community activities include IT service management improvement training, which involves learning through examples of system failure response and prevention, and IT-SM community seminars to serve as forums for presenting and sharing those examples. In addition, we provide support through our IT-SM training (mentoring) school for IT service managers. At this school, two executive IT service managers serve as mentors to pass on skills and expertise, provide psychological support (discussion of concerns), and facilitate personal network building (vertical relationships between IT service managers).

Furthermore, we support and develop personnel involved in system operation and maintenance by offering various tools. These include a standardized on-site inspection checklist for stable system operations, a portal site to provide expertise on stable system operations and IT service management, a collection of example failure cases for recovery training, a system development guide aimed at improving operational quality during the development phase, and a guide for reducing human errors that contains well-explained strategies and case studies.

◆ Addressing Serious Issues

At the NTT DATA Group, executives and employees are required to promptly notify the quality assurance desk in the event of any serious quality issue with a commercial system. The Quality Assurance Department and external relations desk have an emergency contact system in place, whereby the Corporate Management Committee deliberates countermeasures to highly serious issues. Particularly serious incidents are reported swiftly to senior managers. We also investigate the cause of each incident, consider measures to prevent recurrence, report to the competent authorities as necessary according to laws and regulations, and disclose appropriate information to customers through our website.

Initiatives to Improve Customer Satisfaction

Listening to our customers and working to improve their satisfaction levels is important when considering how we can help resolve social issues through our business. Under its Clients First approach, reflecting its belief that a client-oriented approach lies at the root of sustainable corporate growth, the NTT DATA Group has achieved a high level of satisfaction among customers by contributing to their success. Specifically, NTT DATA conducts oral and written surveys of its regular clients every year and results are reflected in our business activities. The aim of this self-monitoring exercise is to enable us to deliver improved services from a client standpoint.

In fiscal 2021, we conducted interviews with people from 55 client companies and organizations, obtaining information regarding their opinions and requests. We also gained feedback through questionnaires received from 450 people in 185 client companies and organizations.

Overall satisfaction, the main item in the questionnaire, was rated at 7.8 out of 10, the highest ever. In addition, for the questionnaire items regarding the relationship with our Company, respondents are asked if they intend to continue to strengthen the relationship and if they would like NTT DATA to be their first choice for consultation. In response, 96% of clients positively wrote "I would like to continue and strengthen the relationship going forward" and "NTT DATA is my first choice for consultation."

Based on the interviews and survey results, the entire Company is engaged in improvement activities, including analysis of results, identification of issues and the formulation and implementation of improvement action plans.

We will continue advancing these efforts in a systematic manner to further improve customer satisfaction levels.

➢ **Changes in Overall Satisfaction**

Evaluation Item	FY2019	FY2020	FY2021
Overall Satisfaction (out of 10)	7.7	7.7	7.8

➢ **NTT DATA's Position from Customers' Perspective**
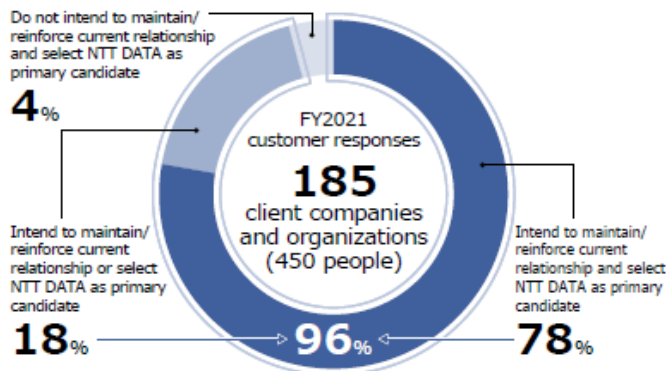
Trusted Value Chain

Protecting security and data privacy to realize safe, secure, and resilient corporate activities

Promotion of Robust Risk Governance

◆ Basic Policy and Promotion System

The NTT DATA Group seeks to ascertain all risks associated with its business activities to minimize the frequency of occurrence of these risks and their impact on operations should they materialize. To facilitate this effort, in 2002 we appointed a chief risk officer (CRO) in charge of supervising and promoting risk management from a Group-wide perspective. In addition, we assigned risk management promotion officers to the Risk Management Division and other divisions and Group companies to assist with responding proactively and independently to various risks.

Moreover, material risk items are set by the Board of Directors each year, and the action plan for each significant risk item formulated by each responsible organization is reported by the Internal Control Promotion Committee, which is conducted twice a year in principle. The action plan is evaluated and reviewed, and the results are reported to the Board of Directors.

The Group provides a variety of services to a wide range of customers and industries around the world, and the business environment varies greatly depending on each business. As a result, the Company's Board of Directors can properly identify and quickly respond to risks related to customer relationships and market conditions by delegating substantial authority to the General Manager of the Business Division.

➢ **Risk Management Structure**
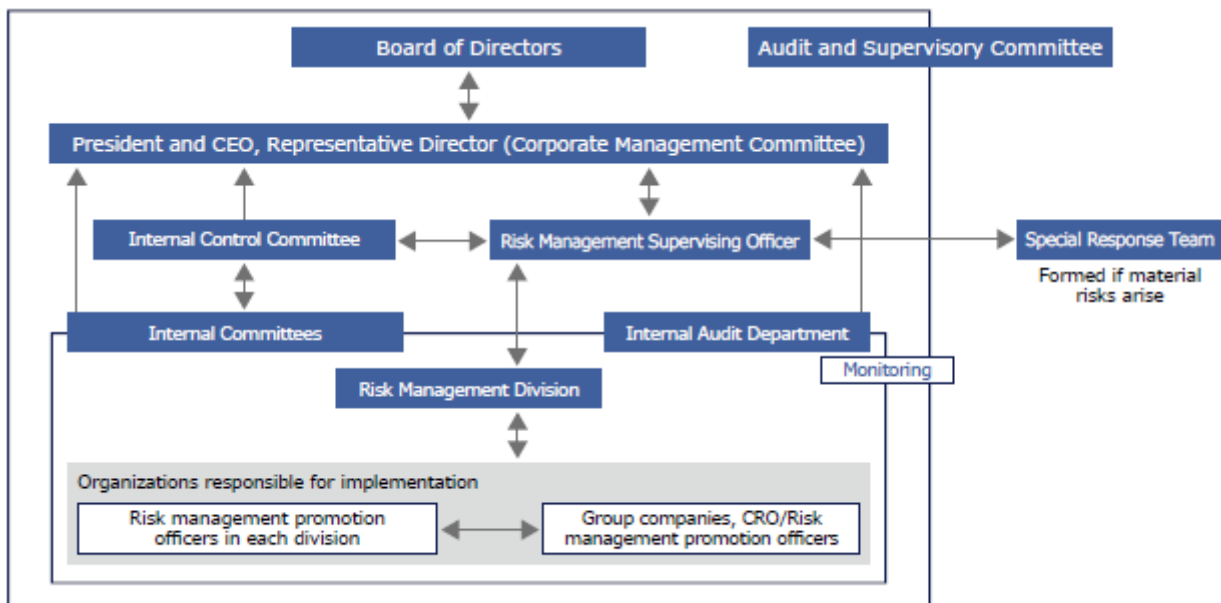
➢ **Risk Management Category**
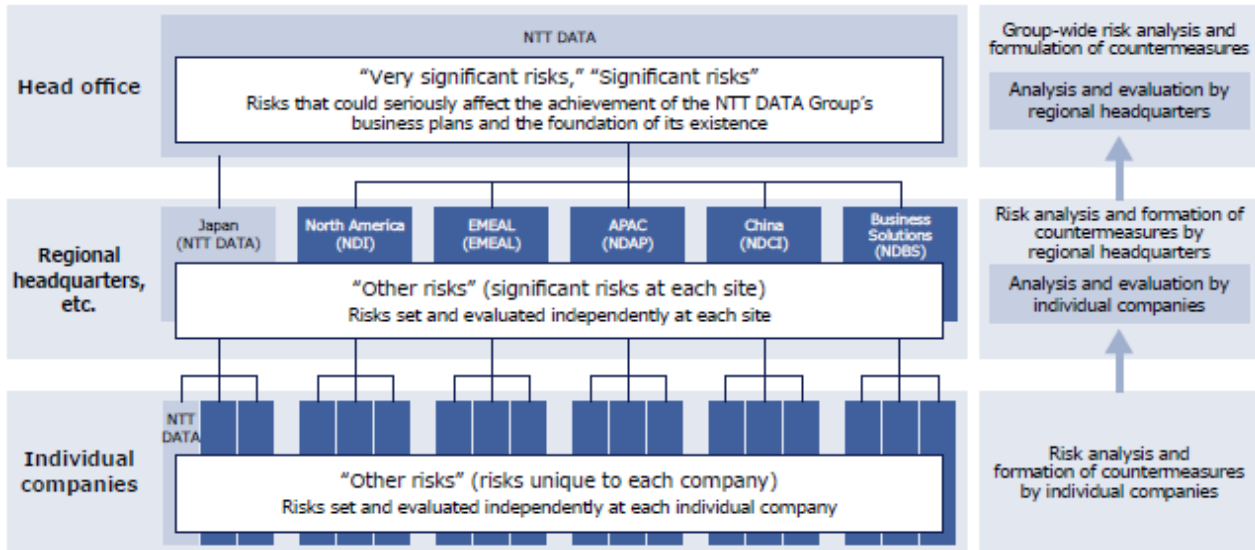
◆ **Risk Management Training**

The NTT DATA Group conducts ongoing training regarding the legal and other roles of newly appointed directors (including those who are also Audit and Supervisory Committee members) and Audit and Supervisory Committee members at NTT DATA and Group companies to ensure rigorous risk management throughout the Group.

In fiscal 2021, we provided training to newly appointed NTT DATA directors at the time of their appointment concerning their duties and responsibilities regarding corporate governance and under the Companies Act. In September 2021, we conducted training for executives of Group companies in Japan. We will promote increased risk management awareness and enhanced response capabilities by implementing various types of training on an ongoing basis.

◆ **Dealing with Material Risks**

1. System development risk	
Risk content and potential impact	The Group's mainstay business is system integration. In this business, we are responsible for completing each system, from the time we receive the order to the time we deliver it to the clients, under a contractual agreement. Therefore, several factors could lead to an unexpected increase in costs. These include deviation from the original estimate stemming from ambiguity in the contract and technical or project management problems that were not initially anticipated during the development stage. If a project is unprofitable, we might have to pay compensation for damages caused by unexpected costs or delays in delivery, which could significantly affect the Group's business performance and financial position. For this reason, we deem system development risk to be a material risk.
Countermeasures	For large-scale projects that are new to us in terms of clients, business, and/or technology, we have protocols to help us fulfill our responsibility for project completion. For example, we have a third-party organization that confirms the feasibility of the proposal and clarifies contractual details during the proposal preparation stage. The organization also handles early responses to risks, examines the appropriateness of plans and cost estimates at the time of order and inspects systems before delivery. Moreover, projects of a certain size or larger that are new to us in terms of clients, business, and/or technology are identified as "high-risk projects" (including those of Group companies). For such projects, we regularly monitor and manage progress and issues and take risk mitigation measures to minimize the potential for the projects to become unprofitable.

2. Risk related to investments and M&As	
Risk content and potential impact	The Group invests in domestic and overseas companies and organizations with the aims of acquiring new technologies, solutions and development resources, and building strategic partnerships. In addition, we view M&As as an important tool for achieving our "Global 3rd Stage" goals and use this tool as a driver of global growth. When engaging in an M&A, we place top priority on ensuring that the other party has common values and affinity with the NTT DATA Group. We also confirm the feasibility of synergies with the Group, mainly from the perspectives of geography (focus areas) and offerings (service delivery capabilities). However, especially with overseas M&As, several factors might make it difficult for the Group to adequately control the other party's operations or smoothly handle its business. These include legal restrictions, taxation systems, differences in business practices, labor-management relations, and political and economic trends in each country. Also, the Group might be unable to properly deploy synergies with the other party, causing sales and profits to be significantly lower than expected and preventing the Group from generating its desired return on investment. These scenarios could lead to goodwill write-downs and the like, which could significantly affect the Group's business performance and financial position. For this reason, we deem risk related to investments and M&As to be a material risk.
Countermeasures	When making M&A decisions, we use return on investment (ROI), consciousness of capital efficiency, and other indicators, as well as third-party assessments, to evaluate the financial soundness of the other party. We regard the risk of being unable to adequately control the other party's operations or smoothly handle its business to be a material risk. For this reason, we require due diligence focusing on business matters to be performed by internal business departments, financial advisers, accountants, lawyers, and other outside experts, as well as due diligence focusing on compliance based on the country risk of the investee, to help make investment decisions. We then verify each of the risks uncovered in this process and make decisions on countermeasures to minimize our overall risk exposure. Also, there is a risk that the Group might be unable to properly deploy synergies with the other party, causing sales and profits to be significantly lower than expected and preventing the Group from generating its desired return on investment. To address such risk, we utilize various mechanisms, such as long-term incentives (remuneration for service during a certain period) and earn-outs (payment of acquisition price in installments) according to the scale and content of the investment. We place great importance on the continued growth of the acquired company through the creation of synergies with the NTT DATA Group. In addition, we require a post-M&A integration process (PMI) plan to be made at the time of decision-making. By implementing the integration process from an early stage, we aim to maximize the benefits of M&A and minimize the relevant risks. To prevent unexpected risks from materializing at the end of the consolidated fiscal year, the Company monitors the business conditions of the acquired companies and the status of PMI initiatives on a quarterly basis and makes necessary corrections. Through the above measures, we strive to prevent risks from materializing by carefully examining the risks and establishing an appropriate governance structure to ensure that they do not have a significant impact on the Group's business performance and financial position.

3. Information security risk

Risk content and potential impact	As part of its business operations, the Group handles personal information and confidential information, which could be vulnerable to information security incidents stemming from cyberattacks and the like. Both in Japan and overseas, recently there has been a surge in targeted e-mail and phishing attacks including ransomware related to COVID-19, as well as cyberattacks that target vulnerabilities in the rapidly growing number of teleworking arrangements and online meetings. Especially, there has been a surge in highly targeted cyberattacks of customer companies, with the aim of attacking companies, government agencies, and other organizations that support important social infrastructure. As a company that provides social infrastructure on its own, as well as a business partner, we regard the risk of cyberattacks as a material risk and recognize that they could materialize at any time. Materialization of such risk might damage the Group's social credibility and brand image and incur compensation claims for losses incurred, as well as legal penalties and the like, which could significantly affect the Group's business results and financial position.
Countermeasures	To minimize this risk, we have established information security policies and personal information protection policies under the Information Security Committee. Related measures are subject to ongoing reviews and improvements from both technological and management perspectives, according to advances in information technology and changes in social conditions, and trends in external threats. In preparation, we have introduced various solutions to detect, prevent, respond, and recover from cyberattacks. We also conduct 24-hour monitoring operations and established our own computer security incident response team (CSIRT), called NTTDATA-CERT, and conduct initial response training and other activities.

4. Compliance risk

Risk content and potential impact	The Group is developing its corporate activities on a global scale, and the expansion of its overseas operations has made it necessary to comply with both domestic and overseas laws and regulations. Some of the laws and regulations apply not only to corporate activities within a specific country but also to activities outside that country's borders. These include the GDPR[1] in the European Union and the FCPA[2] in the United States. The Group is required to comply with these laws and regulations. Violations of these laws and regulations could incur significant fines and costs related to dealing with the authorities. Other regulations also apply to the Group's operations, including accounting standards, tax laws, and transaction-related laws. In the event of a violation of laws and regulations, such as improper accounting practices or fraud or embezzlement in the supply chain, the Group might be required to pay a surcharge, as well as damages caused by such fraud. In addition to expense outlays and other economic losses, such violations might also cause major damage to the Group's social credibility and brand image, which could significantly affect its business performance and financial position. For this reason, we deem compliance risk to be a material risk. With approximately 150,000 employees and business operations in 52 countries and regions (as of March 31, 2022), we cannot completely deny the possibility of this risk materializing.
Countermeasures	To prevent legal violations and other risks from materializing, the Group has established the NTT DATA Group Code of Conduct as a basic standard for daily business activities and has built an internal control system to ensure legality and the appropriateness of financial reporting. In addition, we are working to further improve corporate ethics and strengthen compliance with laws and regulations throughout the Group by implementing educational and awareness-raising activities for directors and employees, establishing and operating an internal reporting system that can be used by all Group employees, and other initiatives. In Japan, meanwhile, we established and operate the Bribery and Corruption Prevention Regulations, which prohibit providing entertainment and gifts to public officials and providing inappropriate entertainment and gifts in general and call for disciplinary action in the event of violation.

1. GDPR: General Data Protection Regulation. This applies when handling personal information in the European Union.

2. FCPA: Foreign Corrupt Practices Act. This a U.S. law aimed at preventing bribery.

5. System operation risk

Risk content and potential impact	Some of the systems and services we provide function as key social infrastructure. If a failure occurs during operation and a system or service is stopped, there could be a major impact on our clients' business and the lives of general users. Moreover, certain events, such as loss of our clients' data, could have an even greater impact. In some cases, the Group might be required to pay compensation for damages, which could have a significant effect on its business results and financial position. For this reason, we deem system operation risk to be a material risk. In addition, delays in the deployment of systems and services could lead to a decline in the Group's social credibility and brand image. While such a risk is unlikely to materialize, we cannot completely discount it. In particular, failures caused by defects in commercially available products can take a long time to address.
Countermeasures	To ensure stable system operation and uninterrupted provision of services, the Group engages in various activities aimed at preventing system failures and minimizing the impact of failures that occur. For example, we actively collect and disseminate information on known product malfunctions and countermeasure information on commercially available products, and we analyze the causes of past malfunctions. We also share the results of cause analyses of past failures and recurrence prevention measures with relevant in-house parties and conduct regular inspections using checklists. In addition, we are building a contact system for failure responses, and we provide training to address system failures.

6. Risk related to large-scale disasters and serious infectious diseases

Risk content and potential impact	As some of the systems and services provided by the Group function as social infrastructure, we have established a system for business continuity and conduct disaster drills in accordance with government guidelines, while also monitoring the safety status of employees and others. However, in the event of a major earthquake, a climate change catastrophe, or other large-scale natural disaster, many of our systems and employees might be damaged, making it difficult for us to provide services, which could have a significant impact on our clients' operations and the lives of general users. Such an outcome could possibly damage the Group's social credibility and brand image and incur significant restoration and other costs, which could significantly affect the Group's business results and financial position. Therefore, we recognize natural disasters as a potential risk. In addition, an outbreak of a large-scale infectious disease, such as COVID-19, might lead to infections among employees and/or prevent them from going to work, making it difficult to continue providing our systems and services. Although it is difficult to accurately predict the probability of these risks arising, we recognize that they could affect the Group's business results and financial position.
Countermeasures	With respect to our responses in the event of a disaster, our primary aims are to protect the safety of employees and ensure business continuity. In the event of a disaster of a certain magnitude, we will activate a business continuity plan and respond flexibly under a system in which our President and CEO holds ultimate responsibility. In addition, to ensure business continuity, we will take advantage of the COVID-19 pandemic to strengthen our online environment and conduct business online where it is possible. This will ensure the safety of our employees and collaborators while guaranteeing business continuity. On the other hand, it is possible that new customer needs with respect to work-style innovation–related IT investments and digitalization could emerge and become increasingly apparent. In response, we will fully deploy our expertise and industry knowledge in digital and other advanced technologies that we have acquired through existing initiatives, as a provider of systems and services that support social infrastructure, to foster the digitalization of our customers and society as a whole and thus expand our business.

7. Risk related to human rights	
Risk content and potential impact	The NTT DATA Group, which provides optimum services and solutions for its customers on a global basis, must not only comply with laws and regulations in each country and region but also act appropriately in compliance with international standards. In particular, it is important to respond appropriately to the UN's Guiding Principles on Business and Human Rights[3], including the supply chain. These risks manifest themselves on a daily basis. The occurrence of such risks could affect the Group's operating results and financial position due to economic losses and a decline in social credibility.
Countermeasures	The NTT Group has established the NTT DATA Group Code of Conduct, which clearly indicates our stance on social issues and the actions that our employees should refer to in their operations. We also conduct our corporate activities in line with the NTT Group Human Rights Policies, which indicate our stance on various human rights issues in each country and region and on human rights issues in our supply chain with the aim of achieving a sustainable society. Based on the Guiding Principles on Business and Human Rights, the NTT Group uses the human rights due diligence process to identify, prevent, mitigate, and correct human rights issues on a global scale. Through this process, we are working to raise human rights awareness and improve human rights management.

3. Guiding Principles on Business and Human Rights: A document unanimously endorsed by the UN Human Rights Council in June 2011, comprising three pillars: the state duty to protect human rights, the corporate responsibility to respect human rights, and access to remedies.

8. Geopolitical risk	
Risk content and potential impact	The Group's businesses are not limited to the Japanese market, but rather are centered on North and EMEAL (Europe, Middle East, Africa, Central and South America). As such, changes in political and economic trends and laws and regulations in countries around the world, as well as the occurrence of international conflicts such as terrorism and war, could cause the suspension of systems and services provided to customers, the need to respond to new regulations from a national security perspective, cyberattacks, difficulty in procuring essential materials, and rapid fluctuations in foreign exchange rates, which could affect the Group's operating results and financial position. Therefore, we recognize these risks as particularly significant.
Countermeasures	By creating a business portfolio that is not dependent on any particular region, the Group is able to diversify the risks posed by changes in political and economic trends in each country and to ensure that the overall business is not significantly affected. In addition, the Company has established a system that enables prompt and appropriate responses to these risks, including responses to various types of derivative risks, in the event that the risks occur, while continuously collecting necessary information on the risks through a cross-sectional structure of related organizations. In response to the impact and risks of the invasion of Ukraine by Russia since February 2022, we have implemented measures such as employee safety management and response to economic sanctions. We will also continue to monitor and respond to the medium- to long-term impact on our business.

Ensure Information Security and Protect Data Privacy

The NTT DATA Group recognizes the importance of achieving an appropriate balance between ensuring the safety of information and the active utilization and sharing of information. We implement a wide range of measures that cover both the human and technological aspects of information security. Administrative measures include formulating rules and providing education and training in information security, while technological measures involve solutions that prevent information leaks and the adoption of thin client computing.

To share knowledge and expertise across the entire Group, we work with domestic Group companies to host information security forums, and with overseas regional head offices to host the Global CISO Conference and other events. Through this distribution of knowledge within the Group, we are working to establish unified information security governance.

◆ Basic Policy

The NTT DATA Group has established rules and regulations including the NTT DATA Group Security Policy (GSP). The GSP includes a code of conduct to protect information assets from serious security breaches, such as information leakage and unauthorized access, and a code of conduct for the active utilization and sharing of information. To protect personal information, the GSP includes policies and guidelines for each Group company and requires personal information to be handled appropriately according to such policies and guidelines, so that personal information is protected effectively throughout the Group. These codes of conduct, which also apply to business partners to whom we outsource operations, help us ensure that our information assets are handled appropriately.

For domestic Group companies, we established the NTT DATA Group Japan Regional Personal Information Protection Regulations (JPP) and the NTT DATA Group Japan Regional Personal Information Management Guidelines (JPG) to comply with the revised Act on the Protection of Personal Information. In these ways, we have established items to be observed and the procedures to be implemented to handle personal information appropriately.

◆ Promotion System

Global Governance

Since fiscal 2006, the NTT DATA Group has been working diligently to secure information security based on the NTT DATA Group Security Policy (GSP), which also applies to the Group's overseas operations. Since fiscal 2012, we have been building a global framework for promoting information security, centered on the five regional head offices in North America (NDAP), the EMEAL region (EMEAL), the APAC region (APCA), China, and Business Solutions. We manage information security according to unified baselines, as well as in a flexible manner that meets the specific needs of each region.

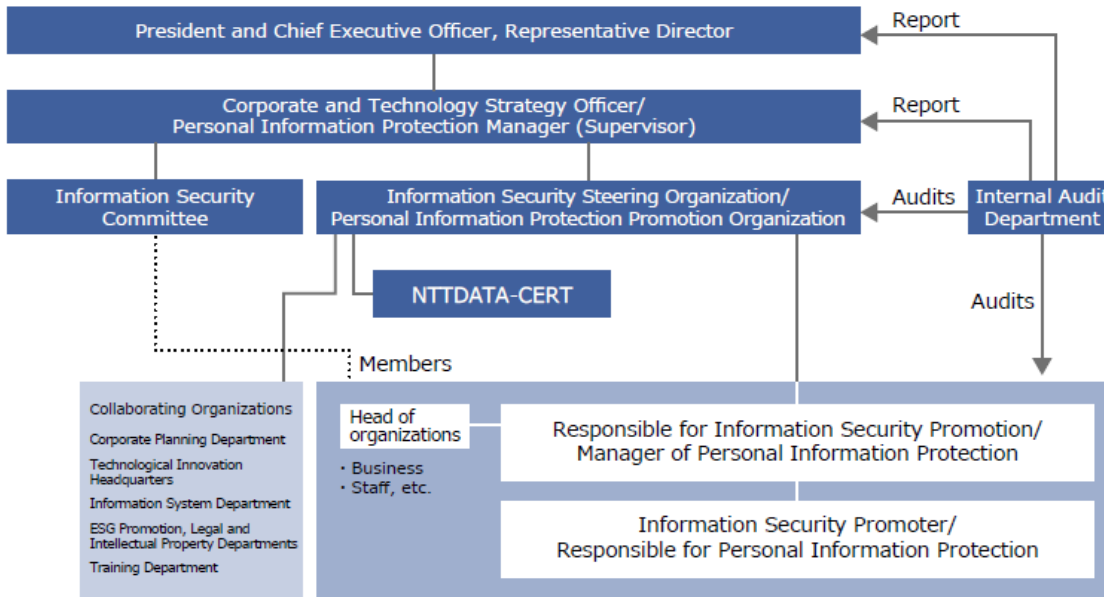### Global Security through Collaboration

To ensure meticulous information security governance on a global scale, we manage information security through information security steering organizations at three levels: Head Office, regional head offices, and individual Group companies.

The information security steering organizations at each level cooperate closely to maintain and develop information security policies, monitor the progress of measures under way, and take preventive measures against incidents. They also serve as task forces in times of emergency.

➤ **Information Security Governance Structure (NTT DATA Group)**
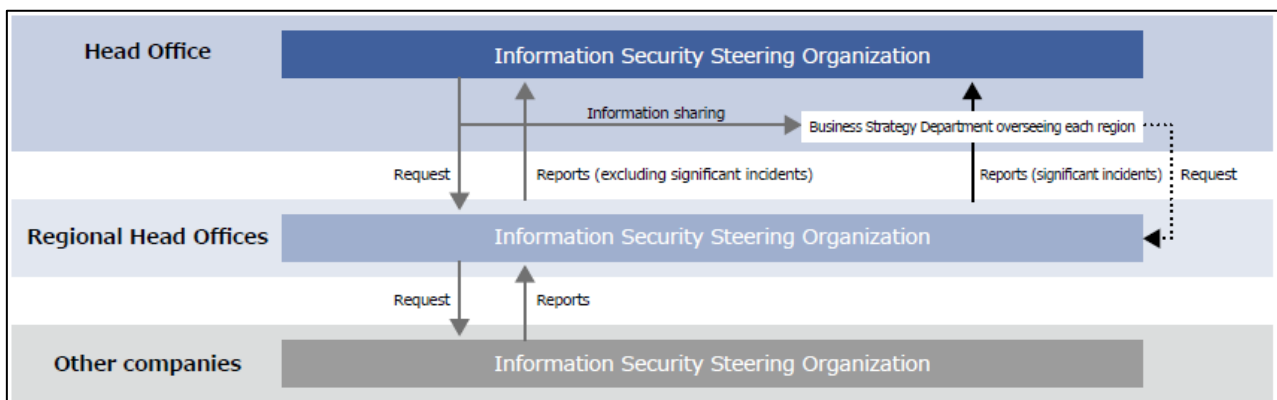
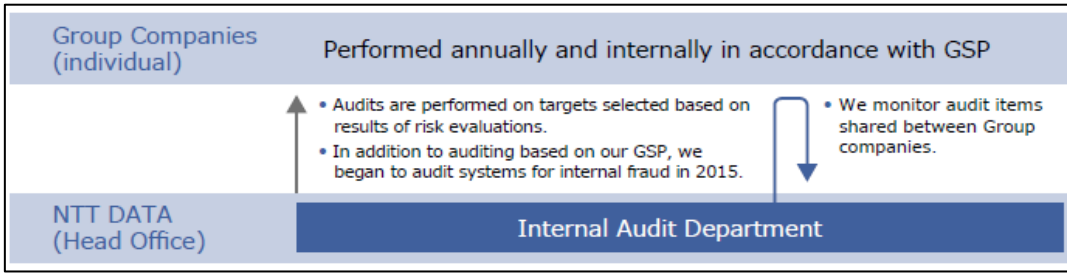➢ **Information Security Governance Structure (NTT DATA)**

➢ **Information Security Governance: Main Systems and Initiatives**

Director in charge of technology management and personal information protection managers (responsible persons)	We have built an information security management system with the appointment of a director* to promote information security management from a Company-wide perspective. *The director in charge of technology management oversees the division of responsibilities covering technology development and research (CTO), quality assurance, and security (CISO).
Information security management organization	[Meeting body] [Evaluation/orientation] ・Information Security Committee 　This is chaired by the director in charge of technology management and consists of top managers from each business division. Its role is to understand and evaluate Company-wide activities and issues and determine Group information security strategies. [Organization] [Promotion/monitoring] ・Information Security Steering Organization (Head Office) 　In addition to sharing information with the regional head offices, this organization regularly monitors the control status of each regional head office and provides support for maintaining and improving control levels. ・Information Security Steering Organization (regional head offices) 　This organization builds and operates a governance system that takes into consideration the characteristics and circumstances of each region, based on a security policy and countermeasure promotion plan developed at the Head Office. ・Information Security Steering Organization (individual companies) 　This organization's role is to establish a governance system and promote information security measures based on policies and security strategies requested by regional head offices, as well as the decisions made by the information security committee of each company.
Information sharing between Group companies	・Global CISO Conference 　This forum is sponsored by NTT DATA with participation by the CISOs of each regional head office and other key persons. Its role is to strengthen information sharing and cooperation between regional offices and the Head Office. ・Information Security Promoter Forum 　This forum is sponsored by NTT DATA with participation by the CISOs and information security promotion managers of individual domestic Group companies. Its role is to share Group information security strategies and policies.

➢ **Audit and Monitoring System**

Audit and monitoring system	・We established an audit and monitoring system covering domestic and overseas Group companies based on meticulous information security under the NTT DATA Group Security Policy (GSP) (since fiscal 2006). ・We promote security audits from the three perspectives listed below. Risk-based audits enable focused and efficient audits in high-risk areas. 　1. Rigorous basic tasks: Check the safety management status of the organization based on the GSP and the safety management status of systems that handle personal information. 　2. Response to external improprieties: With increasingly sophisticated cyberattacks, the effectiveness of systematic measures such as protection against vulnerabilities and detection/interception of attacks has been confirmed. 　3. To prevent information leakage due to internal improprieties, in addition to systematic and physical measures such as access control and removal management, the effectiveness of measures including management of outsourcees shall be confirmed.

➢ **Internal Auditing System**

Group Companies (individual)	Performed annually and internally in accordance with GSP
	• Audits are performed on targets selected based on results of risk evaluations. ↑ • In addition to auditing based on our GSP, we began to audit systems for internal fraud in 2015. ↓ • We monitor audit items shared between Group companies.
NTT DATA (Head Office)	Internal Audit Department

◆ **Security Incident Prevention, Detection, and Responses**

The NTT DATA Group operates NTTDATA-CERT as an organizational CSIRT to prevent the occurrence of information security incidents[1] through its day-to-day activities. NTTDATA-CERT works to detect incidents early and provide quick and appropriate emergency responses.

1. Actualization of security threats related to information management and system operation, such as computer malware infection, unauthorized access, and information leakage

Activities to Prepare for New Security Risks

We gather, analyze, and communicate a wide range of security-related information including the newest attack methods and incident occurrences, while engaging in communication monitoring, emergency responses, research and development, and collaboration with external organizations.

Wide-Ranging Internal and External Collaborations

In addition to internal activities, the NTT DATA Group is a member of FIRST[2], a global CSIRT community. We also collaborate broadly with external security organizations, including the JPCERT Coordination Center (JPCERT/CC) and CSIRT teams from all member companies of the Nippon CSIRT Association (NCA). With these efforts, we quickly share security-related information and enable early detection and responses to security concerns.

2. Abbreviation of Forum of Incident Response and Security Teams: A global community of 635 CSIRT teams (as of July 29, 2022) from government agencies, educational institutions, corporations, and the like.

CSIRT Management Utilizing OSINT

We adopt an open-source intelligence (OSINT) approach when operating NTTDATA-CERT, which involves actively utilizing information obtained lawfully through such sources as official government announcements, mass media reports, academic articles, and technical materials. Information collected daily is analyzed by NTTDATA-CERT's experts, who then predict future security trends and report their findings to all NTT DATA Group companies through news briefings and quarterly reports. The information is also used for strengthening the monitoring of cyberattacks. In these ways, the NTT DATA Group makes full use of the information for our security strategies and measures.

Conducting Incident Response Workshops

We hold workshops for domestic Group companies so that, in the event of an information security incident, we can respond systematically and promptly to minimize the impact and ensure that the incident is terminated. Referring to the NTT DATA Group Information Security Incident Response Standard for Japan, workshop participants learn how to respond appropriately to cyberattacks by learning the actions they should take from an incident's occurrence to its termination. They also learn from exercises using past incidents that occurred within the NTT DATA Group.

◆ **Stepping Up Security Governance Efforts**

We are stepping up our security governance efforts to better understand and methodically respond to the security risks that the NTT DATA Group faces globally.

In fiscal 2021, we engaged in improving global governance maturity, worked to strengthen and ensure the stable operation of our global security infrastructure, and reliably escalated our responses to serious incidents.

Improving Global Governance Maturity

The NTT DATA Group has established a protocol process for aggregating the security risks faced by each regional head office and determining security measures that should be prioritized by all global Group companies. In addition, we regularly hold a Global CISO Conference attended by all key persons, including the CISOs of each regional head office, to strengthen information sharing and collaboration between Group companies and the Head Office.

Global Security Infrastructure

To respond to diversifying working styles and to prepare for cyberattacks, which are increasingly sophisticated, we have built and now operate a security platform common to all NTT DATA Group companies. Using this security platform to strengthen security when using e-mail and cloud services and to centrally manage Internet connection points helps us maintain a high level of security across the entire NTT DATA Group. Moreover, we can block connection points between the NTT DATA Group's domestic and overseas bases, allowing us to prevent any damage from spreading to other areas in the event of an intrusion in the network. We also have an advanced log analysis solution that enables us to detect even advanced persistent threats (targeted attacks). In fiscal 2020, we also strengthened our e-mail security and cloud security (using zero trust security) as the second phase of our global security infrastructure development.

Early Escalation to Address Serious Incidents

To ensure early detection and report responses in the event of a serious incident, we systematically established incident response organizations at the NTT DATA Group's domestic and overseas bases. This guarantees our ability to respond immediately to problems on site and deal with high-level incidents. In addition, we have rules within the Group that clearly define the various roles, responsibilities, and reporting standards. In the event of a serious incident, this system ensures prompt reporting from NTT DATA Group domestic and overseas companies to the Head Office via regional head offices. Moreover, in fiscal 2021, NTTDATA CUSTOMER SERVICE Corporation received no specific complaints regarding breaches of client privacy or loss of client data.

◆ **Specific Initiatives**

Ensuring the Security of Commercial Systems

Recently, there have been multiple incidents of illegal access to information through breaches (vulnerabilities) of information systems, resulting in personal and confidential information leaks, blackmail by ransomware, and other harmful outcomes. In addition to known attacks against which countermeasures are available, more and more attacks exploit vulnerabilities that even software developers and system development vendors are not aware of. To address such unknown attacks, we must adopt security measures across our systems without leaving any vulnerabilities.

We share the latest trends in security technology and vulnerability information across the Group in a timely manner. When building and operating our systems, we incorporate processes to maintain the necessary level of security and establish mechanisms to enable the system to maintain that security level. We strive to continuously provide safe and secure systems and services, including by subjecting our system to regular diagnostic testing by security experts and appropriately responding to newly discovered vulnerabilities.

Comprehensive Security Management to Ensure Safe and Secure System Environments

The NTT DATA Group harnesses the expertise it has gathered from its experience and track record to propose optimal solutions that reflect changes in its clients' business structure.

For example, we offer global security governance frameworks that also cover client sites across the world and superior security technologies required for systems that handle important information. We also provide zero trust security that realizes secure remote working environments to promote new work styles.

Moreover, information security incidents in recent years have highlighted the importance of preparing against contingencies on the assumption that protective security measures might be bypassed altogether by sophisticated targeted attacks or information leaks caused by internal misconduct. To contain and localize any damage, we must provide reliable detection of an attack and swift response and recovery. We help reinforce the security measures of our clients by offering security consulting to identify risks and providing solutions and services for neutralizing and protecting against risks. Furthermore, we provide enhanced support services for detection; response and recovery by constructing systems, including UEBA[1], EDR[2], sandboxes[3], SIEM[4], SOC[5], and CSIRT[6]; and monitoring system management.

1. Abbreviation of User and Entity Behavior Analytics: Solution for learning behaviors of people and objects at normal times by machine learning and issuing alerts when abnormal behaviors are detected.
2. Abbreviation of Endpoint Detection and Response: Solution for monitoring endpoints, such as PCs and servers, and enabling citegrated management of incident detection and subsequent response processes.
3. Solution for detecting malware by running programs within a protected virtual environment.

4. Abbreviation of Security Information and Event Management: Solution for detecting, analyzing, and visualizing traces or signs of unauthorized access that are difficult to find by security equipment alone.
5. Abbreviation of Security Operation Center IDS/IPS: A center or an organization that comprehensively monitors and manages firewalls, DB firewalls, WAFs, and the like.
6. Abbreviation of Computer Security Incident Response Team: An incident response team of computer security specialists. The team collects and analyzes information on security incidents, security-related technologies, and vulnerabilities, and conducts activities that include implementing effective countermeasures and training.

Information Security Training and Education

The NTT DATA Group provides information security education for employees, business partners, and temporary workers. We have delivered this education and training via e-learning and classroom instruction to promote understanding of the Group's policy on the protection of personal information, the rules contained in the NTT DATA Group Security Policy, and the need to be constantly aware of the importance of information security. In fiscal 2021, we continued implementing various measures to ensure that every employee rigorously takes basic actions to maintain information security.

➤ Information Security Training at NTT Data in Fiscal 2021

Target	Content and Format	Participation	
All employees	Information security and personal information protection training (e-learning)	Target	12,384 eligible employees (completion 100%)
		Achieved	12,384 eligible employees (completion 100%)
Position based	Information security lectures (onsite learning)	Incorporated in position-based training conducted by the Human Resource Department	
	Internal security training for qualified personnel (e-learning)	Learning materials were provided online to applicable personnel.	
Business partners and temporary staff	Personal information protection introduction training and information security education (e-learning)	Target	Parties registered on our company system 30,126 people (completion 100%)
		Achieved	Parties registered on our company system 30,126 people (completion 100%)
	Information Security Training Handbook	Booklets available to new business partners and temporary staff via download	

➤ Information Security Training at Key Group Companies in Fiscal 2021

Target	Implementation Format	Participation
Group company employees, business partners, and temporary staff	・GSP security training and personal information protection training (e-learning; in three languages)	34,058 people (66 Domestic Group companies)

Note: In addition to the above, information security education was provided for overseas Group companies under the control of each regional head office.

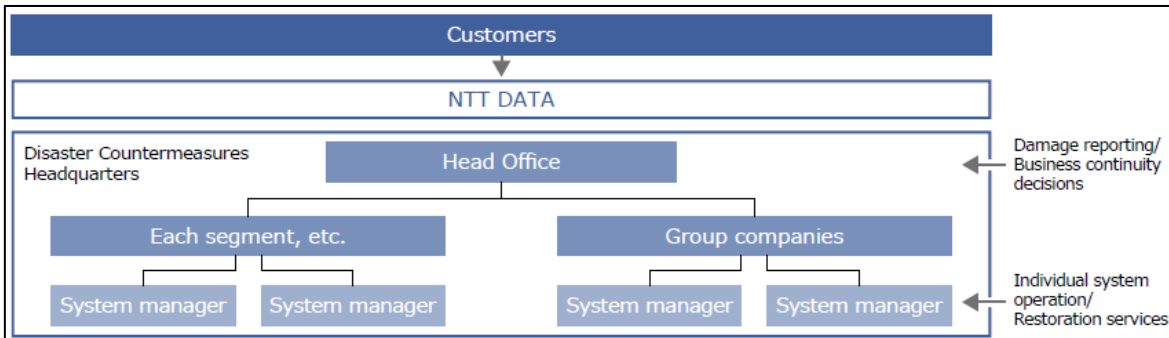### ➤ Certifications Acquired (as of March 31, 2022)

Certifications	• Information Security Management Systems (ISMS) certification: 43 companies in Japan (including NTT DATA) • ISO/IEC 27001: Multiple overseas Group companies (including in Europe, China, and India) • PrivacyMark of the Japan Institute for Promotion of Digital Economy and Community (JIPDEC): 40 companies in Japan (including NTT DATA)

Respond to Disaster Risks

◆ Basic Policy and Promotion System

The NTT DATA Group provides numerous information systems and services that support social infrastructure. If any of these systems or services go down or are interrupted in the event of a disaster, there would be serious impacts on society and people's lives. For this reason, we are developing and continuously improving business continuity plans (BCPs) to prepare for disasters, as well as contingency plans for systems and services related to social infrastructure. Most recently, we have been taking measures to prevent the spread of COVID-19 and prepare for large-scale earthquakes and other emergencies as telecommuting becomes the main way of working.

➢ **Structure for Responding to Earthquakes and Other Large-Scale Natural Disasters**

Management promotion officers	President
Management system	• The President (who is the executive responsible for disaster responses) determines the disaster countermeasure policies and actions. • The operations manager, the general affairs manager assisting the operations manager, and the head of the Disaster Response Office establish the necessary processes for disaster management and ensure the implementation and maintenance of those processes. They also spearhead planning, implementation, evaluation, and continuous improvement of disaster response processes at the Head Office Disaster Response Headquarters. • At each business division, the head of the organization is responsible for planning, implementation, evaluation, and continuous improvement of disaster response processes at the disaster response headquarters of the division's head office within the scope of his/her authority and duties.
Plans and frameworks	• NTT DATA has developed disaster BCPs and contingency plans. • Implementation of various types of training to minimize disaster risk: In addition to Company-wide training, such as safety confirmation training for all employees and the establishment of a Head Office Disaster Response Headquarters, each organization conducts individual training according to its own requirements.
Certifications (as of March 31, 2021)	• BCMS certification according to the ISO 22301:2019 international standard. • Proper facility maintenance such as data center buildings, electric power, air-conditioning systems, and security systems are important foundations for information system operations. Therefore, all the Company's buildings have been certified for business continuity management. We also have systems in place to respond to incidents such as large-scale earthquakes and wide-area power outages.

◆ Specific Initiatives

The NTT DATA Group is advancing extensive system failure response measures based on the dual perspectives of prevention and response. These measures include inspections based on a comprehensive perspective in line with the Information Technology Infrastructure Library (ITIL), ISO 20000, and other standards, as well as deployment of response know-how at the time of a failure and development of IT service managers. To ensure NTT DATA and NTT DATA Group business continuity when a disaster occurs, we have formulated BCPs and regularly review education, training, and business continuity planning. This is because each organization must be able to recover operations as quickly as possible and restore business to standard levels in short periods.

Promote Responsible Supply Chain

◆ Basic Policy

The Group believes that our mission and responsibility as a company is to contribute to the development of our customers and society through the creation of new paradigms and values while practicing sound and transparent management, and to contribute to the realization of an affluent and harmonious society that is safe and secure. We have established a basic policy on procurement to fulfill our responsibilities in procurement activities and contribute to society. In May 2022, we changed the content of this report to emphasize human rights, the environment, and safety to realize a sustainable society and introduced this to our suppliers.

Basic Policy regarding Procurement

1. We shall foster mutual understanding and build relationships of trust while providing opportunities for fair competition among our suppliers around the world.
2. We shall procure competitive products and services according to our business needs based on economic rationality and a comprehensive assessment of quality, price, delivery time, and reliability.
3. We shall contribute to the realization of a sustainable society, while strictly adhering to laws, regulations, and social norms and conducting procurement with a focus on human rights, the environment, and safety.

🖥 https://www.nttdata.com/global/en/about-us/procurement-policy

Dissemination of Basic Policy Procurement

NTT DATA publishes its Basic Policy Regarding Procurement on its website as a basic guide for procurement transactions. We created procedures and regulations for the proper execution of purchasing transactions and our Fair Transaction Rules as a compilation of laws, regulations, rules, and codes of conduct that must be followed in transactions and contracts with clients and suppliers.

◆ Specific Initiatives

Establishment and Dissemination of Guidelines in the Supply Chain

The NTT DATA Group Supply Chain CSR Promotion Guidelines, which are guidelines for developing mutual understanding and trust with suppliers and promoting CSR together with the Group, have been signed by 89.2% of all the Group's suppliers.

We also hold explanatory meetings to familiarize our suppliers with the Group's guidelines. At the explanatory meeting held in February 2022, 64.6% of all suppliers attended.

In October 2022, we revised the NTT DATA Group Supply Chain Sustainability Guidelines based on the NTT DATA Group Supply Chain CSR Promotion Guidelines. These guidelines will be rolled out to Group companies, including outside Japan. This has been restructured from recommendations and requests to demands in terms of CSR for suppliers to further strengthen sustainability in the supply chain.

🖥 https://www.nttdata.com/global/en/about-us/procurement-policy

Implementation of Surveys to Suppliers

Each year, the NTT Group jointly conducts a questionnaire survey of suppliers on approximately 140 items concerning human rights, labor, health and safety, the environment, fair trade and ethics, quality and safety, information security, and social contribution to assess supplier sustainability risks. In fiscal 2021, responses were received from 58.6% of all suppliers.

Moreover, in fiscal 2022, we began conducting on-site surveys through direct dialogue, such as visits to companies, as a means of monitoring sustainability risks for important suppliers.

Strengthening Sustainability Initiatives in the Supply Chain

We have launched our own Self-Assessment Questionnaire (SAQ) to confirm the sustainability risks at suppliers. In fiscal 2022, we aim to have approximately 80% of all suppliers respond to the questionnaire. In addition to expanding the scope of on-site surveys, we plan to strengthen cooperation and resolve issues according to the supplier's situation.

Through these initiatives, we are working to build and maintain supply chains for the realization of a sustainable society by visualizing risks in the supply chain and implementing improvements.

Communication with Suppliers

Every year, NTT Data conducts reciprocal evaluations and interviews with key suppliers of software development services to deepen mutual understanding, improve the quality of software development, and prevent contractual problems from occurring. To forge sustainable relationships with our suppliers, we hold a BP Presidents' Meeting each year attended by the management representatives of our BP companies.

Management representatives from 44 BP companies, including the five Core BP Companies, attended the BP Presidents' Meeting in December 2021. At the meeting, they shared information and discussed topics that included NTT DATA's management policies; trends regarding target growth in the public, financial, corporate, and technology sectors; software development policies; results of mutual evaluations; and the need for rigorous efforts on compliance and information security.

Building and Maintaining Sustainable Relationships

We believe that by firmly establishing cooperative relationships with our suppliers, including from the perspective of sustainability, we will be able to ensure appropriate prices, efficient business promotion, thorough compliance, information security, etc., and to achieve continuous business transactions.

In particular, to secure stable human resources that meet our needs, our suppliers contribute by building relationships of trust with us through various joint measures. With respect to human resources in the DX (Digital Transformation) field, our main promotion organization closely cooperates with our suppliers to secure a stable supply of human resources by developing start-up companies and conducting training programs including retraining of DX human resources.

Ensure Compliance

◆ Basic Policy and Promotion System

The NTT DATA Group has established a code of conduct not only for compliance but also for ethical conduct, which is shared throughout the Group.

In May 2022, we revised our code of conduct and established the NTT DATA Group Code of Conduct, which further clarifies the content of ethics and compliance. Through various channels, including training, we are promoting the penetration of the NTT DATA Group Code of Conduct among executives and employees of the entire Group. By developing internal systems and mechanisms, we are fostering a corporate culture that thoroughly enforces corporate ethics and compliance.

Each year, our Corporate Ethics Committee, which is chaired by the executive in charge of corporate management, discusses and reports on the details of compliance-related initiatives.

Compliance management promotion officer	Executive in charge of corporate management
Management system	Through the Corporate Ethics Committee, which is chaired by the executive in charge of corporate management, we monitor the status of compliance with corporate ethics and conduct investigations to identify the causes of misconduct and inappropriate behavior.

◆ Specific Initiatives

Compliance of Assessment

The NTT DATA Group conducts compliance assessments of all employees of domestic Group companies to verify the engagement status of its compliance systems and raise awareness.

Under these assessments, employees are asked to answer around 30 questions regarding such matters as improper accounting, bribery, and overtime work, and the results are analyzed statistically. By comparing yearly changes, we can identify problems and prioritize topics with many suggestions in the subsequent year's compliance training sessions. In these ways, we ensure more extensive corporate ethical awareness and stronger legal compliance.

Compliance Training and Awareness

The NTT DATA Group works to steadily enhance compliance awareness among employees through various types of training. To improve issues in the workplace, we will enhance educational material content and implement rigorous training sessions for all employees.

Promoting Compliance Awareness among Officers and Employees

The NTT DATA Group conducts compliance training (including e-learning) for around 42,000 employees at NTT DATA Corporation and domestic Group companies and around 94,000 employees at overseas Group companies. We also arrange lectures on corporate ethics at position-based training sessions that are conducted as part of our promotional milestones. Our compliance-related training is tailored to the business characteristics of each organization and Group company.

Given the growing global reach of our business activities, meanwhile, we are enriching our training content to foster greater awareness about stricter anti-bribery and anti-corruption regulations in the global business community. We are also drawing attention to outsourcing contracts in view of changes to competition laws and other legal revisions. Furthermore, we provide employees with the NTT DATA Group Ethics Guide: Learning About Compliance through Familiar Cases to explain examples of ambiguous cases that could occur in one's daily operations, with the aim of enhancing understanding of the NTT DATA Group Code of Conduct. This guide is posted on our intranet site so that it can be accessed any time.

➤ **Major Compliance-Related Training in Fiscal 2021**

Name of Training Session	Number of Attendees (Ratio)
Compliance training	Approx. 42,000 domestic employees (99.6%)
Global Compliance Policy Training	Approx. 94,000 overseas employees (94.7%)
Position-based group training sessions (e.g., lectures on corporate ethics, risk management)	Approx. 2,900 employees (98.2%)

Whistleblowing Systems

To maintain sound management through the early detection and correction of behavior that contravenes laws and corporate ethics, the NTT Data Group operates measures as follows to receive reports from and provide consultation to all NTT DATA Group personnel, including employees and temporary staff, as well as business partners. It is stipulated in the Group Internal Reporting Policy that a whistleblower shall not be treated disadvantageously due to his/her reporting to this hotline.

Operation of Whistleblowing Systems

- Develop and operate an internal reporting hotline and system in compliance with the NTT DATA Group Internal Reporting Policy at the head office and all regional headquarters overseas.
- Whistleblowers can report to the hotline set up at each regional headquarters or to the hotline at the head office.
- Whistle-blowing is handled under the responsibility of the Chief Risk Officer (CRO) of each company. If a violation of laws and regulations, the NTT DATA Group Code of Conduct, or various regulations is found, disciplinary actions, such as pay cuts or suspension, are taken in accordance with the disciplinary rules set by each Group company, and, depending on the situation, are reflected in assessments and personnel changes.

➢ **Organization of Internal Reporting Hotline**

Reporting information for all employees and business partners of the NTT DATA Group in Japan and overseas

Head Office Reporting Desk

Reporting information for all employees and business partners of Group companies overseas

Services Reporting Desk

EMEAL Reporting Desk

Business Solutions Reporting Desk

China Reporting Desk

APAC Reporting Desk

➤ **Number and Breakdown of Reports to the Head Office Reporting Line**

In fiscal 2021, a total of 100 cases were reported and one case was disciplined.

	FY2019 No. of Reports			FY2020 No. of Reports			FY2021 No. of Reports		
		No. of disciplinary actions taken	No. of strict cautions given		No. of disciplinary actions taken	No. of strict cautions given		No. of disciplinary actions taken	No. of strict cautions given
Total number of reports	94	4	44	78	2	34	100	1	42
Reports of harassment	70	3	35	54	1	22	78	0	36
Compliance violations	38	3	35	23	1	22	36	0	36
Internal rule violations	38	3	35	23	1	22	36	0	36
Legal violations (e.g., human rights violations)	0	0	0	0	0	0	0	0	0
No violation	32	—	—	31	—	—	42	—	—
Reports on inappropriate business practices	23	1	9	17	1	7	14	1	5
Compliance violations	10	1	9	8	1	7	6	1	5
Internal rule violations	10	1	9	8	1	7	6	1	5
Legal violations (e.g., bribery, accounting irregularities, forged contracts)	0	0	0	0	0	0	0	0	0
No violation	13	—	—	9	—	—	8	—	—
Reports on personal use of company expenses	1	1	0	2	0	1	2	0	0
Compliance violations	1	1	0	1	0	1	0	0	0
Internal rule violations	1	1	0	1	0	1	0	0	0
Legal violations	0	0	0	0	0	0	0	0	0
No violation	0	—	—	1	—	—	2	—	—
Number of other reports	0	0	0	5	0	4	6	0	1
Compliance violations	—	—	—	4	0	4	1	0	1
Internal rule violations	—	—	—	1	0	1	1	0	1
Legal violations	0	—	—	3	0	3	0	0	0
No violation	0	—	—	1	—	—	5	—	—

Tax Transparency

Based on the NTT DATA Group Code of Conduct, the Group presents its approach to ethics and compliance that should be referred to in its businesses.

◆ Tax Policy

Tax Transparency

The NTT DATA Group complies with tax-related laws and regulations throughout the Group, including overseas Group companies. We established basic guidelines on tax affairs in view of the growing importance of adopting a global perspective on properly addressing and managing tax risks posed by the multinationalization of Group companies and the increase in international transactions. By extending the guidelines to domestic and overseas Group companies, including regional head offices, we aim to maintain and improve tax compliance and optimize the tax burden on the entire Group.

Raising Awareness among Employees

In practice, we have established internal regulations and provide guidance on appropriate tax treatment to employees. The NTT DATA Group (consolidated subsidiaries) has established basic guidelines on taxation and strives to rigorously observe laws and regulations and reduce tax risks through employee education, guidance, and operational improvements.

Relationship with Tax Authorities

We have established relationships of trust with tax authorities by providing appropriate and timely information and consulting on accounting procedures. If issues are discovered by tax authorities, we immediately work to determine their causes, except when filing an objection or litigation against the actions or opinions of tax authorities. We then prevent recurrences by adopting appropriate corrective and reform measures.

➢ **Revenue (FY2020)**

Revenue	Approx. ¥2,964 billion	
	Japan	¥1,823.8 billion
	United States	¥436.5 billion
	Spain	¥159.2 billion
	Germany	¥101.9 billion
	Italy	¥67.3 billion
	India	¥53.1 billion
	United Kingdom	¥52.1 billion
	Other	¥270 billion

➢ **Profit before Tax (FY2020)**

Profit before Tax	Approx. ¥152.3 billion	
	Japan	¥180.5 billion
	Other	¥ (28.1) billion

➤ **Taxes Incurred (FY2020)**

Taxes Incurred	Approx. ¥61.4 billion	
	Japan	¥51.3 billion
	India	¥2.6 billion
	Australia	¥1.3 billion
	Other	¥6.2 billion

➤ **Tax Amount Paid (FY2020)**

Tax Amount Paid	Approx. ¥52.4 billion	
	Japan	¥45.6 billion
	India	¥1.5 billion
	Peru	¥0.7 billion
	Other	¥4.6 billion

The above amounts are based on National Reporting Items submitted to the Japanese tax authorities and are not directly related to the consolidated financial statements.

◆ **Prohibiting Bribery and Corruption**

The NTT DATA Group takes measures to prevent corruption based on its Global Compliance Policy and rigorously complies with the laws and regulations of each country. No cases of corruption and bribery or disputes were identified in fiscal 2021.

◆ **Response to Government Policies**

We ensure that all political donations made in Japan are conducted in accordance with our Global Compliance Policy and our supply chain CSR procurement guidelines and in strict observance of the Political Funds Control Act. NTT DATA's total domestic political donations in fiscal 2021 amounted to ¥7.5 million.

◆ **Measures to Prevent Unfair Competition**

The NTT DATA Group takes measures to prevent antitrust and anticompetitive practices based on its Global Compliance Policy and rigorously complies with the laws and regulations of each country. In Japan, we have established a set of internal rules called Fair Transaction Rules, which we are disseminating throughout the Company and no violations or disputes were identified in fiscal 2021. We are also taking actions overseas according to local laws and regulations and one violation or dispute was identified in fiscal 2021.

◆ **Appropriate Corporate Branding**

The NTT DATA Group, as part of our global business development, is promoting activities aimed at gaining appropriate recognition of our corporate brand in each country and area. We are also promoting advertisement activities in compliance with the laws and regulations of each country and area. In fiscal 2021, there were no cases of violations or disputes.

Future of Work

Provide new ways of working to enhance performance and EX and promote work-style innovation throughout society

From a longer-term perspective, the NTT DATA Group aims to "cultivate, stimulate, and further grow creativity that can be applied globally by respecting the diversity of each and every employee." Against this backdrop, we have positioned maximizing human resources and organizational capabilities as one of the growth strategies in our New Medium-Term Management Plan (fiscal 2022 to 2025) and are working to achieve this goal.

Strengthening the Hiring of Diverse Human Resources

◆ Basic Policy

We are hiring and developing human resources with both quality and quantity to support our medium- to long-term business. We are strengthening the hiring of human resources with a background in digital technology, those with a background to promote global business, and those with experience who are industry-ready. When hiring, we prioritize aptitude, motivation, and ability over gender, nationality, age, and academic record.

◆ Attracting and Retaining Diverse Human Resources Globally

In overseas markets where labor mobility is high, we place high emphasis on employee retention. Specifically, we work actively to hire new graduates and experienced employees and move quickly to retain employees who have joined the Group through mergers and acquisitions. For newly hired employees, we hold onboarding sessions in various locations, and on a global level, through such initiatives as Values Week workshops and the NTT DATA Awards, we raise awareness among employees around the world as members of NTT DATA and provide them with opportunities to interact equally across organizational boundaries. When engaging in M&As or organizational restructuring, we provide opportunities for executives and employees to communicate with each other to eliminate employee anxiety at an early stage and help create better workplaces.

◆ Strengthen Recruitment of Both New Graduates and Experienced Personnel

We have hired new graduates from more than 100 educational institutions. We have also acquired highly globally competent human resources through recruitment activities at overseas career forums in London and Boston. In recent years, we have expanded our business not only in Japan but also in the global market, and every year we hire foreign employees from several countries. In addition, in Rakuten Minshu, a word-of-mouth employment site, we ranked first overall in the rankings of popular companies for new graduate employment in 2023 (maintaining a Top 3 position for the fourth consecutive year) and first in the IT industry rankings for the 13th consecutive year.

In hiring experienced personnel, we are accelerating the hiring for the active participation of diverse human resources and establishing varied hiring routes via our website, etc. In appointing managerial positions, we evaluate both new graduates and mid-career hires equally and treat them appropriately. In fiscal 2022, we set a target of 8.8% for the hiring of experienced personnel in managerial positions. Employees with various careers are active on the front lines of our business.

At the same time, we are working to reduce costs, improve operational efficiency, and create new businesses through digital transformation by leveraging advanced technology. In December 2018, the Group introduced the Advanced Professional System (ADP System), which employs exceptional human resources with outstanding expertise in advanced technology fields, etc., on a timely and as-needed basis with remuneration based on market value, to realize the digital transformation of customers faster and more reliably.

Development of Human Resources with Diverse Expertise

To realize the digital transformation of our customers (at an early stage), it is important for each and every employee to carry out self-transformation, and for both management personnel and specialist human resources with a high degree of expertise to play active roles, so as to improve organizational strength and continue to maximize value creation for customers. To this end, in October 2019 we introduced the Technical Grade System (TG System) with the aim of maximizing the performance of our diverse specialist personnel by supporting their growth and providing them with appropriate opportunities, motivation, and compensation.

Moreover, the starting point of NTT DATA's personnel training and development is the desire of our employees to learn and grow by setting their own goals. Our basic policy for human resource development is to provide on-the-job training (OJT) as the core, which is complemented and enhanced by group and online off-the-job training (OFF-JT).

At each workplace, we clearly define the roles of staff responsible for personnel development and guidance under a system in which employees set their own yearly learning plans. By systematically addressing both workplaces and employees in this way, we aim to raise the motivation to learn.

> ➤ **Approach to Personnel Education and Development**
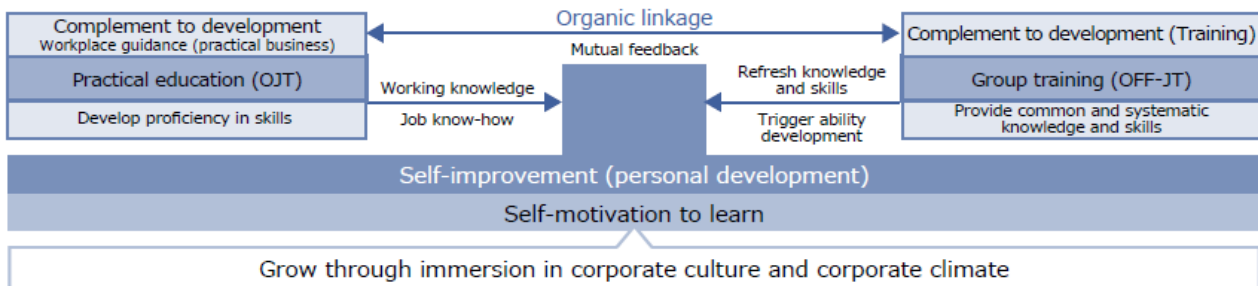
◆ **Training System**

NTT DATA provides technical training to enhance specialist expertise, business training to improve business-related skills, and global training to hone global responsiveness. Employees are free to select courses attuned to their position and job assignment when needed. Moreover, we have systems in place allowing all employees to acquire certain levels of knowledge and skills on matters outside of their regular *duties/responsibilities/roles*. Our new employee training program is designed to form the foundation for the mindset and skills necessary to develop into effective and disciplined *human resources/contributors to the Company's success*.
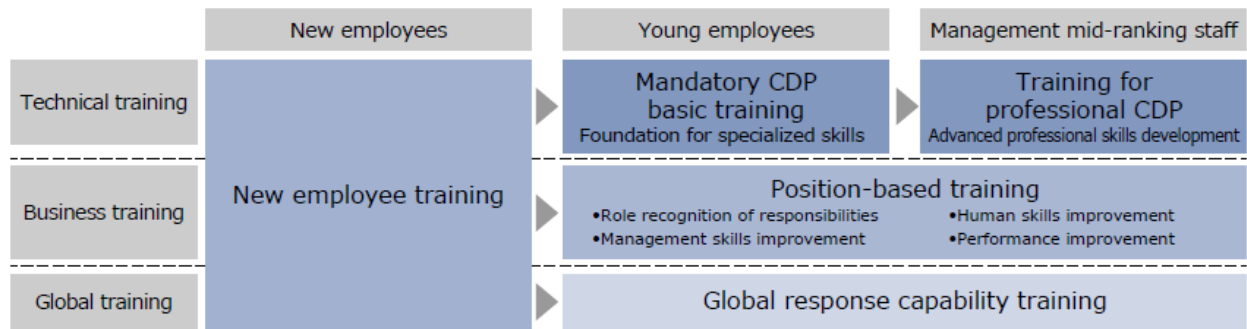

◆ **Human Resources Development Based on Professional CDP**

NTT DATA introduced its Professional Career Development Program (Professional CDP), designed to transform our employees into professional human resources who are highly specialized and can flexibly adapt to change. This program provides employees with easy-to-understand methods for certifying their current level of achievement and developing their skills and supports the autonomous growth of individual employees from the time they join the Company until they move on or retire. We are currently rolling out the program to other domestic Group companies. In fiscal 2021, 14,290 employees were newly certified under the program, and we now have 86,900 certified employees in the NTT DATA Group *across the globe/globally*.*

Our Professional CDP identifies the types of human resources required for our business in a phased manner, and we have responded to changes in technology and the business environment. In fiscal 2019, we added "business developer" and "data scientist" and, in fiscal 2020, we added "cloud" to our specialized fields. In fiscal 2021, we added "digital business manager" and "service designer" as human resources leading the digital business, and "agile" as a new category of project managers. In 2022, we added the facet of improving customer value to our "IT service manager."

*Implemented under the name of Professional CDP at domestic companies. At overseas companies, the same content is implemented under the name of NTT DATA Learning Certification Institute (NLCI). Numbers of certified employees are the total of the two.

➢ **NTT DATA's Human Resource Types**
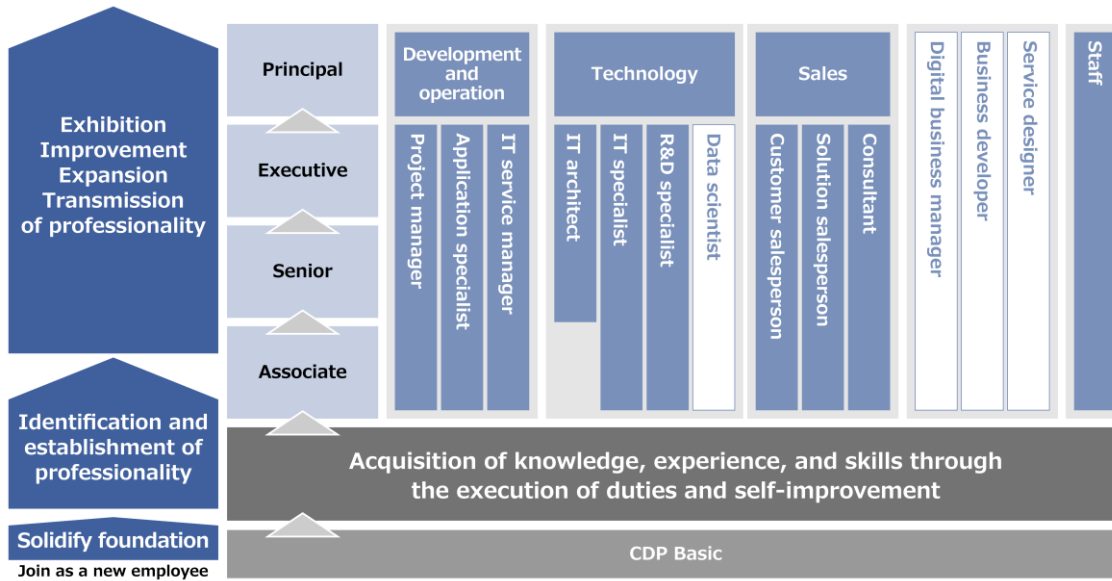
◆ Initiatives to Strengthen Digital Responsiveness

As digitization accelerates, we are working to strengthen the digital responsiveness of all employees. Starting in fiscal 2017, we have held training and seminars on design thinking and idea generation methods. Since fiscal 2019, we have conducted our "Self-Innovation Time" program aimed at helping employees to continuously consolidate and improve their skills. Under this system, all employees devote a portion of their work time to innovation-related domains. Such domains include strengthening digital and global skills and sharing knowledge within the Group and with other organizations. In fiscal 2021, our employees spent an average of 71 hours in the program. In fiscal 2019, we launched two programs to strengthen the development of digital human resources. One is the Digital Boot Camp to help employees learn digital technologies, and the other is the Digital Acceleration Program, a series of training programs that combine off-the-job training in cutting-edge areas and hands-on experience in various advanced projects.

In fiscal 2021, we expanded the "Gito Hon Juku" course, which is taught by top engineers, across the Group to promote the development of highly skilled engineers across the entire NTT DATA Group. As a new initiative, we are consolidating education programs on a global basis to develop learning paths and provide programs so that we can learn cutting-edge technologies in our core technology areas (Cloud, D&I, Cyber Security, EAS, and ADM).

Moreover, against a backdrop of growing business and technology consulting needs due to digitization, we are promoting organizational changes and global alliances with the aim of strengthening consulting capabilities with foresight as the starting point. In addition to setting up specialized consulting organizations in each field, in July 2022 we established a head office structure under the direct control of the president and CEO. This structure promotes the development of methodologies and their implementation, and the development of consulting personnel. Currently, approximately 1,700 people are working as consultants for the entire Group. In the future, we will further promote knowledge sharing and human resource development to increase both quality and quantity. Furthermore, through strategic collaboration with partner companies such as AWS, Microsoft, and Google Cloud, we are strengthening our associations for the development of digital human resources. By utilizing educational content globally, we have developed more than 10,000 cloud engineers.

◆ Developing Human Resources Who Can Excel on the Global Stage

With the rapid expansion of its overseas business, NTT DATA strives to develop global human resources with the flexibility to excel in the face of changing markets and competitive environments. To this end, we focus mainly on cultivating executive human resources who can perform on the global stage and the globalization of employees hired in Japan.

Together with Group companies across the world, we conduct the Global Leadership Program (GLP) for the development of next-generation global leaders. In the GLP, participants discuss issues related to NTT DATA's global and local strategies. The program encourages them to independently consider what is needed and what they should do to realize "One NTT DATA" both globally and locally. More than 870 employees have completed these types of global programs, and we will continue developing executive human resources who can excel on the global stage.

For employees hired in Japan, we offer position-based programs with the aim of developing *human resources/talent* who can play an active role in our global business. One example is our Readiness Drive program for young employees. Through exercises and group work, this program helps employees strengthen their cross-cultural competencies, understand the Company's global business, and improve their English communication skills. Participants also receive practical training in

developing and creating proposals for overseas companies and working in multinational teams. In addition to training, we offer various other opportunities, such as the Business Acceleration Assignments (BAA) Program, which supports employees slated for overseas assignments by giving them practical global experience. We have also created an online community, NINGEN (NTT DATA's International Network of NextGEN), where young employees around the world can share their learning experiences and strengthen their global capabilities.

Our training platforms teach respect for the diversity and individuality of our employees in 52 countries and regions. They are a symbol of NTT DATA's dynamism and a driving force for elevating our business to new heights.

[Reference page] "Employee-related data"

> **Global Human Resource Development**
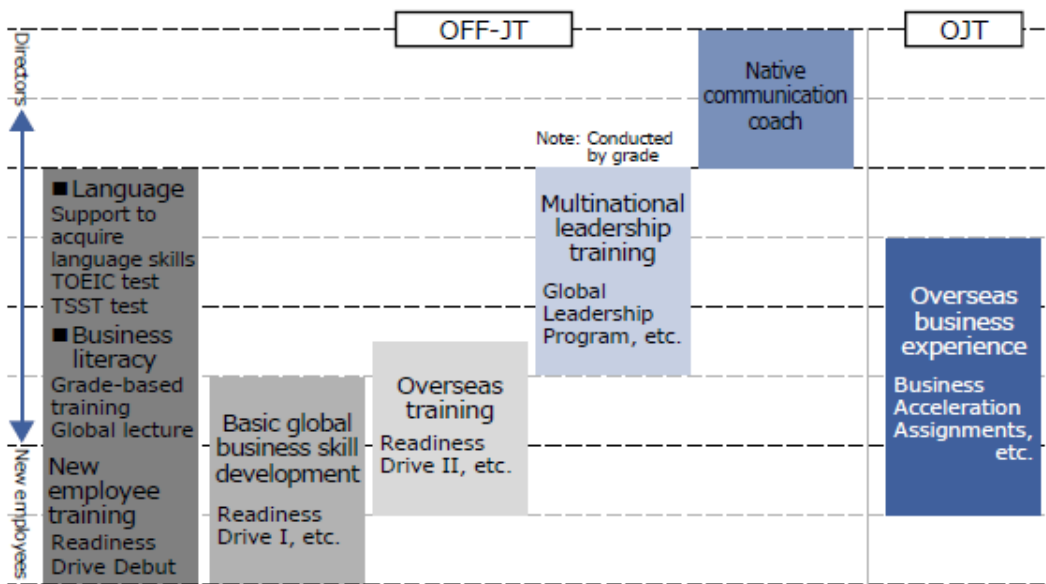
◆ **Personnel Management System**

NTT DATA's employee compensation system emphasizes performance, achievements, and activities irrespective of employment status. We are also instilling a behavioral style that encourages individual employees to improve their results and performance by putting the Group vision into practice and raising their level of professionalism. In April 2022, we introduced a new human resources development platform, OliveOne, to provide a wide range of content tailored to employees' diverse specialties and aspirations, to design learning and visualize acquired skills, and to promote co-creation and foster a culture of learning through community learning.

We strive for transparency in our appraisals of performance by examining diverse aspects, including an evaluation of achievements against the employee's personal goals, through one-on-one *meetings*/*discussions* with managers and multidimensional evaluations.

To avoid placing disproportionate weight on short-term performance improvements, we have introduced incentives to enhance medium- and long-term motivation, including an employee stock purchase program, retirement benefits, and a defined contribution pension plan.

Furthermore, we have developed a framework to reflect degrees of task achievement in the remuneration of contract employees, with options for conversion to permanent employment status for workers deemed to have high long-term performance potential.

Promote Work-Style Innovation

In innovating work styles, our goal is for each employee to improve the quality of his or her work in the limited time available, while also making effective use of the time created through reduced working hours for self-fulfillment pursuits. We want every employee to continue growing and playing an active role in the Company, which will help us create our strong competitive edge. We also aim to become "the company of choice in the labor market" by improving systems and working environments, enhancing development productivity, and reducing long working hours through cooperation with customers and suppliers.

◆ Main Initiatives to Reform Work Styles

- Ongoing training for newly appointed general managers and section chiefs on the theme of "optimization of working hours"
- Creating environments that allow for flexible work styles in accordance with the characteristics of each organization, such as Company-wide thin clients, discretionary labor, teleworking, and flexible working hours
- Promoting the use of paid leave (refreshment leave[1] and anniversary leave[2])
- Increasing the flexibility of system operation to provide ample relaxation time
- Expanding the eligibility and coverage of the teleworking system
- Using our internal website to introduce good examples of changing work styles

1. Employees can take more than four consecutive days of vacation together with regular holidays when a work milestone is achieved.

2. Employees decide their own anniversary date and can take planned vacations every year on this anniversary.

◆ Reducing Total Working Hours

Long working hours was an ongoing problem in the IT industry, and NTT DATA has been working Company-wide to reduce total working hours based on proper working hour management.

Up to fiscal 2019, we were able to reduce total working hours, but in fiscal 2020 the impact of the spread of COVID-19 was significant, and the average total working hours per employee increased to 1,984 hours. In fiscal 2021, the average number of working hours remained the same at 1,982. Since the COVID-19 pandemic, many employees have been working without going to the office and with the elimination of commuting hours employees have been able to work more hours and communication time has increased. Because constant long working hours have a significant impact on employee health, we are working to prevent excessive working hours by using our BI platform (Tableau) to visualize the results of analysis of data related to working hours in a secure and timely manner and distribute them throughout the company.

◆ Encouraging Employees to Take Paid Leave

NTT DATA promotes a work-life balance for its employees by encouraging them to be proactive in taking paid refreshment leave and anniversary leave. As a result, employees took an average of 17.0 days of paid leave per person in fiscal 2021.
[Reference Page] "Employee Data" Average Paid Leave Taken; Rate of Paid Leave Taken (Non-consolidated)

◆ Emphasizing Location-Neutral Work Styles

NTT DATA is promoting location-neutral working arrangements, such as moving our development environment to the cloud, embracing teleconferencing, and otherwise enhancing our infrastructure. We are implementing various measures to encourage employees to work without going to the office to further improve productivity in the emerging "new normal" era and to realize safer environments and more diverse and advanced work styles.

As a concrete measure to realize work-style innovation, we have operated a teleworking (working from home) system since February 2008. In April 2018, we revised our teleworking system to increase the flexibility of working space and time. These revisions included removing limits on the number of teleworking days and allowing employees to telework in places other than their homes. As a result, more than 90% of NTT DATA employees are now taking advantage of this system. In October 2020, moreover, we established a remote work allowance to address the growing burden of overhead costs on employees as the numbers of teleworking increases.

In addition to allowing location-neutral working arrangements, we have sought to increase flexibility with respect to working hours, including by introducing a flextime system in April 1993 and a discretionary work system in December 2010. More than half of our employees now use either systems. In October 2020, we introduced the "Super Flex-time" system, which eliminates core hours, to realize even more flexible work styles and expand the scope of their application. In July 2022, to support a variety of work styles, we expanded our existing teleworking system to create a new communication style based on a hybrid system of telework and office attendance.

We aim to enhance our corporate value into the future by creating an environment where employees can flexibly set their working hours and locations according to the characteristics of their work. This will promote diversity, equity, and inclusion, and transform us into a company that is attractive to working people with organizational functions and a corporate culture that enables each diverse human resource to express themselves and play an active role.
[Reference Page] "Employee Data" Remote Work Implementation Ratio (Non-consolidated)

Promoting Health Management

As part of its management strategy, the NTT DATA Group has adopted "health management." Our aim is to create an environment in which employees are healthy and can continue to work safely with motivation and energy. We also place the highest priority on employee safety and strive to provide a safe working environment. Our management works with occupational physicians from our Health Promotion Office, as well as specialist physicians and public health nurses, to spearhead efforts to improve employee health, provide mental healthcare, and such in cooperation with our health insurance association and each workplace.

◆ Set Health Targets and Initiatives

We have set medium-term and single-year targets for promoting health management, and we are taking various measures to reach those targets. To ensure effective deployment, we will engage in the PDCA cycle as follows: formulate a health management plan and set health targets (P), formulate and implement specific health measures (D), understand and confirm health results (C), and verify the effectiveness of measures taken (A).

	Unit	FY2021 Results	FY2022 Target
Regular medical checkup uptake rate	%	100	100
Specific health guidance completion ratio	%	57.0	49
Specific health guidance target ratio	%	23.0	16.7 or less
Ratio of non-smokers	%	84.5	84
Stress check uptake ratio	%	91.4	98.5
Statutory overwork interview ratio	%	100	100
Number of occupational accidents	Cases	1	0

Efforts to Counter Infectious Diseases

We are committed to fulfilling our social mission as a company that supports critical social infrastructure while placing the highest priority on the safety and health of employees and their families. To this end, we will improve workplace environments by promoting teleworking and flexibly utilizing systems that allow diverse work styles, including those for balancing work with childcare and nursing care commitments. We will continue working with each workplace to ensure daily workplace hygiene management and prevention of workplace infections.

Understanding Health Issues and Raising Awareness

We are promoting the following measures for more detailed health management and health promotion of employees.
・ Provision of comprehensive medical checkups through the Cafeteria Plan as part of our benefits package.
  Starting in fiscal 2019, we are offering comprehensive medical checkups in five-year increments for employees aged 30 to 60. These checkups, which are separate from the Cafeteria Plan, are more extensive than statutory medical checkups. The purpose of this program is to periodically check the health status of young employees and detect the onset of diseases at an early stage. (The medical checkup uptake rate in fiscal 2021 was 100%.)
・ In addition to stress checks, we conduct web-based interviews with employees on lifestyle-related habits. Our aim is to monitor the subjective symptoms of employees' physical and mental health and the status of their workplace environments, which will help increase their motivation to engage in self-care.
・ We are working to prevent passive smoking and reduce the rate of smoking by consolidating smoking rooms and encouraging employees to quit smoking.
・ In promoting telework, for teleworking employees to be aware of their own health problems and to catch signals of any changes about their health by their supervisors and colleagues, we introduced a "pulse survey" as a communication tool between employees and supervisors to support employees' self-care and supervisors' monitor care efforts.
・ We promote online interviews and health consultations with occupational physicians and public health nurses to make it easier for employees to consult according to their working styles and to prevent infection.

Strengthening Implementation of Specific Health Guidance

We provide specific health guidance for employees aged 40 and older who are at risk of lifestyle-related diseases. Here, public health nurses, who assist in employee health management on a regular basis, provide online guidance and work to increase the completion rate of such guidance and to reduce the number of employees subject to guidance.
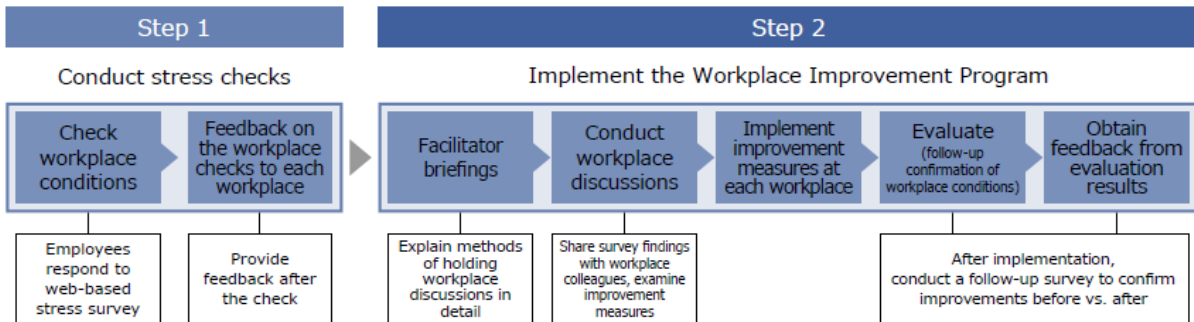
Interviewing Employees Working Long Hours

Since fiscal 2011, we have conducted "fatigue accumulation checks" for employees who work more than 45 hours of overtime a month. If accumulated fatigue is confirmed, the employee is interviewed by an occupational physician or a public health nurse. Based on interview results, we take measures to reduce burdens and otherwise optimize working hours and prevent overwork.

Stress Checks for All Employees

NTT DATA performs annual stress checks of all employees and conducts group analyses in each workplace. The results are provided as feedback to each workplace and used to make working environment improvements, such as holding workplace vitalization meetings with workplaces requiring improvement and posting examples of good practices on our internal website.

➢ **Workplace Improvement Program**

Step 1	Step 2
Conduct stress checks	Implement the Workplace Improvement Program

Check workplace conditions	Feedback on the workplace checks to each workplace	Facilitator briefings	Conduct workplace discussions	Implement improvement measures at each workplace	Evaluate (follow-up confirmation of workplace conditions)	Obtain feedback from evaluation results
Employees respond to web-based stress survey	Provide feedback after the check	Explain methods of holding workplace discussions in detail	Share survey findings with workplace colleagues, examine improvement measures		After implementation, conduct a follow-up survey to confirm improvements before vs. after	

◆ **Improving Health Education and Health Literacy**

We believe that the health of every employee is a company asset and a reflection of its development. With this in mind, we conduct training to raise awareness among employees about self-care and care for those around them during milestone training for managers and employees and we engage in educational initiatives to improve the health literacy of our employees.

Self-Care Health Education for Young Employees

NTT DATA aims to foster health awareness among employees younger than the ages subject to statutory specific health guidance. To this end, we provide health education for all employees in their first and second years of employment, who are building the foundation of their lifestyles, and to all employees at the age of 35.

In addition, we offer personalized education programs for high-risk employees in their 30s.

➢ **Health Education for Employees in Their 30s (FY2021)**

Age 30	✉ E-mail	Self-care is important, especially when there are changes in the environment. When employees enter their 30s, we deliver e-mail newsletters to communicate the current state of health issues in the Company and the importance of protecting their own health.
Age 35	Experience-based training	Participants reflect on their health, which they are often too busy to do in their daily lives, and take part in exercising and relaxation workshops as they learn about metabolic syndrome.
Age 31,33 37,39	Experience-based training	Abnormal blood test results? A program to improve lifestyle habits, including exercise, is offered to employees whose medical checkup results showed the risk of metabolic syndrome.

Note: In fiscal 2021, we conducted health education online.

Monitor-Care Support for Training Instructors and Managers

We provide line-care support so that employees can smoothly communicate with each other, provide guidance and support for their growth, and so that they can recognize signs of health problems and take prompt action during telework.

Provision of Healthcare Content for All Employees

As we promote a telework-oriented work style, we are striving to foster and improve employee health awareness by posting various health-related topics on our website every month as "Healthcare Communication" so that we do not become ill due to lack of exercise, loss of opportunities for refreshment, or disruption of life rhythms.

◆ Efforts to Support the Balance Between Medical Treatment and Work

Employees, their supervisors, the workplace, occupational physicians, and public health nurses cooperate with each other to give appropriate consideration to each employee's physical condition and medical treatment, and to provide detailed support for balancing medical treatment and work, such as appropriate measures for employment, so that employees can continue to work actively while receiving medical treatment and rest with peace of mind. This is done with leave for hospital visits, leave of absence, and flexible work-style systems.

◆ Group-Wide Expansion of White 500 Certification

Four NTT DATA Group companies have received "White 500" certification, a certification given to corporations practicing excellent health management, from the Ministry of Economy, Trade, and Industry and the Japan Health Council.

[NTT DATA Group Companies with White 500 Certification]
• NTT DATA Corporation (5 consecutive years)
• NTT DATA KANSAI Corporation (3 consecutive years)
• NTT DATA SMS CORPORATION (2 consecutive years)
• NTT DATA INTELLILINK Corporation

◆ Preventing Occupational Accidents

In addition to conducting two annual workplace safety patrols, we work hard to raise in-house awareness about National Safety Week, National Industrial Health Week, and the Accident-Free Holiday Campaign organized by the Ministry of Health, Labour, and Welfare and the Japan Industrial Safety and Health Association. We will continue to raise the safety awareness of our employees with the aim of zero occupational accidents under the leadership of the Health and Safety Committees.
[Reference Page] "Employee Data" Number of Occupational Accidents

Employee Relations

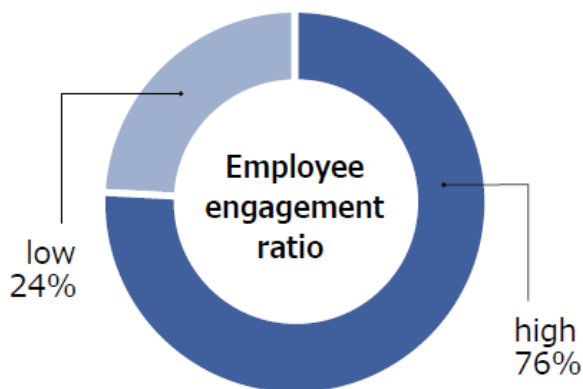### ◆ Labor-Management Dialogue to Enhance Work Environments

The Company conducts labor-management talks with NTT DATA unions regarding issues pertaining to working conditions as they arise. Our basic stance is to emphasize comprehensive dialogue between labor and management in addressing various issues. Moreover, essentially 100% of our employees are members of labor unions, excluding managers, who are not permitted to join unions because they are responsible for the administration of operations.

◆ Improving Employee Engagement

With the aim of becoming "To be a No. 1 employer for the best talent worldwide!," we conduct our biennial engagement survey, "One Voice," of all employees, including those of our overseas Group companies, in an effort to realize a decent workplace. The current survey revealed that 76% of employees were in a situation of "high engagement," which is more than the average of all participating companies (69%).

We conduct workshops globally to ensure that the survey results are read properly. Each company compares the results of the previous survey, confirms the contribution of its actions to the current results, and discusses its next action plan. We are striving to maintain and improve employee engagement and create a better workplace through this cycle.

➢ **"One Voice" Engagement Survey Results**

Employee engagement ratio

low 24%

high 76%

Data on Employees

➢ **Data on Employees (as of March 31 each year)**

	Unit	FY2019			FY2020			FY2021		
		Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)	Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)	Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)
Number of employees	Persons	11,515	27,257	94,424	11,955	28,231	99,491	12,351	28,634	111,006
Male	Persons	9,032	20,843	64,219	9,293	21,121	67,549	9,520	21,153	74,135
Female	Persons	2,483	6,414	30,205	2,662	7,110	31,942	2,831	7,481	36,871
Number of employees in management positions	Persons	2,581	4,782	18,930	2,657	5,030	19,732	2,723	5,033	20,560
Number of men in management positions	Persons (Ratio)	2,406 (93.2%)	4,450 (93.1%)	14,518 (76.7%)	2,465 (92.8%)	4,662 (92.7%)	15,205 (77.1%)	2,519 (92.5%)	4,665 (92.7%)	15,791 (76.8%)
Number of women in management positions ✔	Persons (Ratio)	175 (6.8%)	332 (6.9%)	4,412 (23.3%)	192 (7.2%)	368 (7.3%)	4,527 (22.9%)	204 (7.5%)	368 (7.3%)	4,769 (23.2%)

➢ **Employee Data Concerning Average Age, etc. (Non-consolidated; as of March 31 each year)**

	Unit	FY2019	FY2020	FY2021
Average age	Age	38.9	38.9	39.0
Male	Age	40.1	40.2	40.3
Female	Age	34.3	34.5	34.7
Average length of service	Years	15.0	14.8	14.7
Male	Years	16.1	15.9	15.8
Female	Years	11.0	11.0	11.1
Number of job leavers	Persons (% of workforce)	452 (3.9)	455 (3.8)	547 (4.2)
Male	Persons (% of workforce)	377 (4.1)	381 (4.1)	457 (4.5)
Female	Persons (% of workforce)	75 (3.0)	74 (2.8)	90 (3.2)
Number of voluntary retirees	Persons (% of workforce)	308 (2.6)	265 (2.2)	372 (2.9)
Male	Persons (% of workforce)	245 (2.7)	204 (2.2)	293 (2.9)
Female	Persons (% of workforce)	63 (2.5)	61 (2.3)	79 (2.8)
New managerial appointments	Persons	205	218	262
Male	Persons	184	192	202
Female	Persons	21	26	60

Note: The number of job leavers includes those who have reached retirement age.

➢ **Number of Employees by Age Group (Non-consolidated; as of March 31, 2022)**

	Total	Men	Women
Under 30	2,520	1,596	924
30–39	4,171	2,958	1,213
40–49	3,504	3,038	466
50–59	2,153	1,925	228
60 or older	3	3	0
Total number of employees	12,351	9,520	2,831

➢ **Number of Employees in Management by Position (Non-consolidated; as of March 31, 2022)**

	Total	Men	Women
Department manager equivalent or higher	629	600	29
Section manager equivalent	2,094	1,919	175

➢ **Diversity Indicators**

		FY2021
Percentage of female employees	Consolidated	31.0
Percentage of women in management	Consolidated	18.9
Percentage of women in junior management	Non-consolidated	9.4
Percentage of women in top management	Non-consolidated	23.1
Percentage of women in management working in the Profit Center Department	Non-consolidated	6.1
Percentage of women in STEM-related jobs	Non-consolidated	22.9

➢ **New Hires and Reemployed Retired Workers (Non-consolidated)**[1,2]

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of newly recruited graduates		418	435	477	511	539
	Male	266	278	312	340	350
	Female	152	157	165	171	189
Number of mid-career hires		104	199	325	314	—
	Male	78	160	250	246	—
	Female	26	39	75	68	—
Number of employees with disabilities (% of workforce)		314 (2.51%)	318 (2.49%)	312 (2.41%)	316 (2.37%)	322 (2.34%)
Number of reemployed retired ☑ workers (Utilization ratio of the NTT DATA Reemployment System)		95 (64.71%)	110 (80.3%)	106 (56.7%)	156 (81.3%)	204 (88.2%)
	New recruitment	22	49	17	61	60
	Continued recruitment	73	61	89	95	144

1. Figures for newly recruited graduates and retired employees using the NTT DATA Reemployment System are as of April 1 each year.
   (However, new graduates hired during the fiscal year are also included for fiscal 2019 and later.)
2. Figures for employees with disabilities are as of June 1 each year. (Persons with severe disabilities are counted as two people.)

➢ **Monthly Starting Salary (Non-consolidated)**

	Doctoral Degree	Master's Degree	Bachelor's Degree	College of Technology Graduate
Starting salary	¥301,310	¥252,630	¥223,130	¥193,330

Note: Data for new graduates hired in April 2022

➢ **Average Annual Salary**

	FY2018	FY2019	FY2020	FY2021
All employees (Japan)	¥8,280,000	¥8,338,000	¥8,416,000	¥8,521,000

➢ **Female-to-Male Ratio: Basic and Total Salary per Employee**[3]

		FY2020	FY2021
Managers	Basic salary	1:1.04	1:1.05
	Total salary	1:1.04	1:1.05
Regular employees	Basic salary	1:1.16	1:1.16
	Total salary	1:1.17	1:1.16

3. The same salary system is applied to men and women. Any differences are due to age structure, grade structure, etc. (Figures show female-to-male ratios.)

➢ **Annual Study Hours and Training Costs per Participant**

		Unit	FY2021
Annual study hours per participant	Consolidated	Hours	49
	Non-consolidated		96
Training cost per participant	Consolidated	Yen	120,000
	Non-consolidated		150,000

➤ **Changes in Total Annual Working Hours per Employee**

	FY2018	FY2019	FY2020	FY2021
Total annual working hours	1,890	1,876	1,984	1,982

➤ **Average Paid Leave Taken; Rate of Paid Leave Taken (Non-consolidated)**

	Unit	FY2018	FY2019	FY2020	FY2021
Average paid leave taken	Days/Person	17.6	17.4	16.2	17.0
Average rate of paid leave taken	%	88.1	87.1	81.0	84.6

[Reference Page] "Encouraging Employees to Take Paid Leave

➤ **Remote Work Implementation Ratio (Non-consolidated)**

	FY2021
Remote work implementation ratio	75.0%

[Reference Page] "Emphasizing Location-Neutral Work Styles"

➤ **Employees Using Childcare and Nursing Care Systems (Non-consolidated)**

	FY2018		FY2019		FY2020		FY2021	
	Women	Men	Women	Men	Women	Men	Women	Men
Childcare leave (People)	173	45	152	417	165	278	167	297
Shorter working hours for childcare (People)	308	11	337	9	323	10	274	11
Nursing care leave (People)	6	2	3	2	2	1	3	1
Shorter working hours for nursing care (People)	0	2	0	2	3	0	0	2

➤ **Employees Who Return to the Company and Remain with the Company after Childcare or Nursing Care Leave (Non-consolidated)**

	FY2018		FY2019		FY2020		FY2021	
	% of Employees Who Return	% of Employees Who Remain	% of Employees Who Return	% of Employees Who Remain	% of Employees Who Return	% of Employees Who Remain	% of Employees Who Return	% of Employees Who Remain
Childcare leave	100.0	96.6	98.8	97.2	97.2	94.6	99.2	-
Nursing care leave	100.0	75.0	100.0	100.0	66.7	100.0	100.0	-

[Reference Page] "Environmental Improvement for Balancing Work, Childcare and Nursing Care Commitments"

➤ **Number of Occupational Accidents**

	FY2018	FY2019	FY2020	FY2021
Number of occupational accidents ☑	5	3	2	1

[Reference Page] "Preventing Occupational Accidents"

➤ **Health Management**

	Unit	FY2019	FY2020	FY2021
Regular medical checkup uptake rate	%	100	100	100
Specific health guidance completion ratio	%	65.4	47.5	57.0
Specific health guidance target ratio	%	22.7	24.5	23.0
Ratio of non-smokers	%	82.4	83.7	84.5
Stress check uptake ratio	%	95.1	94.4	91.4
Statutory overwork interview ratio	%	100	100	100
Number of occupational accidents	Cases	3	2	1

Society

Inclusive Society

Contents

Realization of a Society for Healthy and Happy Lives

Relevant Materiality and KPIs

To achieve a society where everyone can live healthy and happy lives, the NTT DATA Group is committed to the following three material issues: Human Rights & DEI (work to create an equitable society where a diverse range of people thrive and respect each other's human rights), Digital Accessibility (deliver services that provide everyone with equal access to basic needs and improve people's quality of life), and Community Engagement (understand the challenges and needs for the development of local communities and provide services that enrich people's lives).

Human Rights&DEI

Work to create an equitable society where a diverse range of people thrive and respect each other's human rights

The United Nations Guiding Principles on Business and Human Rights were published in 2011, making respect for human rights in business an integral part of corporate activities. In the IT industry, in particular, respect for the rights of diverse people and maximizing their capabilities are of paramount importance in creating new innovation. The NTT Group will act in accordance with the NTT Group Human Rights Charter and strive to realize a fair society in which diverse people can respect each other's human rights and play active roles.

Digital Accessibility

Deliver services that provide everyone with equal access to basic needs and improve people's quality of life

To realize a world where "no one is left behind," not only in developing and emerging countries but also in developed countries, it is becoming increasingly important to respond to people who need special consideration, such as the elderly and foreigners. IT solutions are expected to eliminate the digital divide and provide services necessary for the lives of as many people as possible. Through financial and technical support in the IT field, which is our strength, the Group will realize services that enable everyone to have equal access to basic needs and improve QOL.

Community Engagement

Understand the challenges and needs for the development of local communities and provide services that enrich people's lives

Local communities face a wide range of challenges and IT solutions play an increasingly important role in solving them. Through pro bono activities and other activities, the Group aims to understand issues and needs for the development of local communities and create services that help solve social issues and enrich people's lives.

[Reference page] Nine Material Issues and KPIs

Human Rights & DEI

Work to create an equitable society where a diverse range of people thrive and respect each other's human rights.

Respect for Human Rights

◆ Basic Policy

As a member of the NTT Group, the NTT DATA Group operates in a united and organized manner in accordance with the NTT Group Human Rights Policy (established in November 2021), which incorporates the concepts of the UN Guiding Principles on Business and Human Rights.

As we operate in many countries and regions around the world, we are living in a business environment where diverse cultures and business practices exist. At the same time, we have clearly stated "respect for human rights" in the NTT DATA Group Code of Conduct (established in May 2022), which sets forth the NTT DATA Group's stance on recent social issues, including sustainability and human rights, as well as the important concept of ethics and compliance that employees should refer to in their business activities. These principles are put into practice by each and every employee in their daily business activities.

NTT Group Human Rights Policy (Preamble)

> Preamble
>
> The NTT Group recognizes that respect for human rights is an important corporate social responsibility and strives to correctly understand and acknowledge the laws and regulations of each country and region and their cultures, religions, and values. We aim to realize a safe, secure, and prosperous, sustainable society by fulfilling this responsibility.
>
> To this end, we will respect the Universal Declaration of Human Rights and other internationally recognized human rights in all our corporate activities. We will strive to ensure that we are not directly or indirectly involved in discrimination or other human rights violations. In the unlikely event of any negative impact on human rights, we will take appropriate action.
>
> When negative impacts on human rights by business partners are directly related to the NTT Group's relationships, products, or services, the NTT Group will require these partners to respect human rights and not violate them.
>
> To fulfill this responsibility, senior management will take the initiative to respect all stakeholders' human rights. We will review and improve business operations and other aspects as necessary from the perspective of respecting human rights and reflect this in our business activities to establish a corporate structure that respects human rights.

NTT Group Human Rights Policy
🖥 https://group.ntt/en/newsrelease/2021/11/10/pdf/211110ca.pdf

The NTT DATA Group Code of Conduct (respect for human rights)

> The NTT DATA Group complies with the Universal Declaration of Human Rights and other international treaties and conventions that are discussed and adopted from a global perspective, as common standards that all people and countries should achieve. As a member of the NTT Group, the NTT DATA Group understands fully and strives to realize the NTT Group Global Human Rights Policy, which is part of the NTT Group's core policies.
>
> The NTT DATA Group endeavors not to cause or exacerbate any negative impact on human rights during our business activities and will not tolerate any forced labor or child labor. Furthermore, the NTT DATA Group endeavors to introduce and implement human rights due diligence procedures to identify and take measures on the risks concerning human rights, and to take serious action to resolve negative consequences to human rights.

The NTT DATA Group Code of Conduct
🖥 https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?rev=0410003f9f4e464b89151ec109b14445

◆ **Promotion System**

To promote respect for human rights throughout the Company, it is important for all employees to deepen their understanding and awareness of human rights. The NTT DATA Group convenes meetings of its Human Rights Awareness Activity Promotion Committee. The committee consists of leaders of each organizational unit and is headed by the Representative Director and Senior Executive Vice President. We have assigned human rights awareness promotion officers to each organization and company within the Group. In cooperation with the Human Rights Promotion Office in our Sustainability Innovation Department, these promotion officers conduct employee training and other measures and have established a human rights helpline as part of efforts to raise human rights awareness and strengthen human rights management.

➢ **System to Promote Human Rights Awareness**
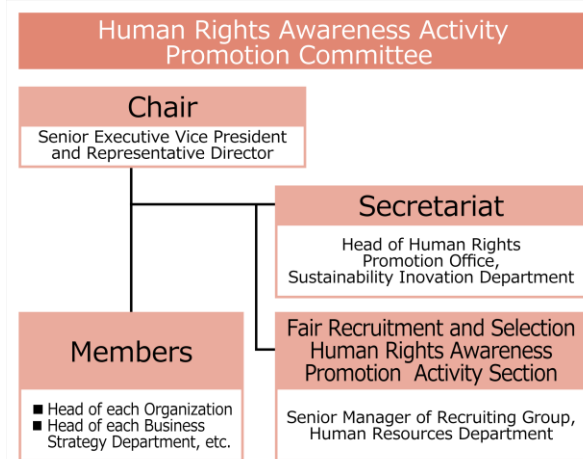
◆ **Specific Initiatives**

Promoting Human Rights Awareness

The NTT DATA Group has been holding Human Rights Awareness Workplace Seminars at each workplace for domestic NTT DATA Group employees since fiscal 2010. The aims of the seminars are to raise awareness and promote understanding about human rights issues. In fiscal 2021, we continued conducting sessions on human rights in position-based training, recruiters' training, and other programs to instill even deeper awareness. Given the increasing number of employees assigned to overseas posts, we conduct pre-overseas assignment training to help such employees gain a proper understanding of the religions, cultures, and customs of the countries and regions to which they have been assigned. In fiscal 2021, a total of 32 employees assigned to 12 overseas posts took part in the program. In addition, in September to December 2021 we held a human rights slogan contest for domestic NTT DATA Group employees, partner company employees, and family members from whom we solicited slogans on the theme of human rights awareness. We awarded the outstanding slogans at an event during the UN-designated Human Rights Week.

➢ **Major Initiatives on Human Rights Awareness**

Initiative	Unit	Participation in FY2021
Human rights awareness workplace seminars	People	28,505 people
Position-based training course (human rights awareness)	People	2,919 people
Recruiters' training course	People	421 people
Training prior to international assignment	People	32 people (12 countries)
Human rights slogan contest	Applications	603 applications

Establishment of Due Diligence and Details of Activities

In the NTT DATA Group, where we are globally developing optimal services and solutions for our customers, we must not only comply with laws and regulations in each country and region but also conduct appropriate corporate activities that comply with international standards. In accordance with the NTT Group Human Rights Charter established in fiscal 2014, the NTT Group is incrementally implementing the human rights due diligence process step by step to identify, prevent, mitigate, and correct human rights issues on a global scale, and working to raise awareness of human rights.

Implementation Period	Details of Activities
First phase (2014–2016)	Established a human rights management system
Second phase (2017–2018)	Strengthened human rights management
FY2017～	Worked to validate the results of previous internal surveys ・Obtained and implemented an assessment of potential human rights risk from an external expert organization ・Examined the degree to which the NTT Group's business has a negative impact on the human rights of its stakeholders, identified human rights issues that the NTT Group should address from the perspectives of "likelihood of future human rights risks in each country" and "severity of human rights risks that might arise in our business"
FY2018	Conducted a manifest human rights impact assessment in the Asian region as a test case based on the results of an assessment of potential human rights risk conducted in the previous year
FY2019	・Conducted our second human rights management survey ・Established five human rights issues to address as a top priority: women's rights, right to privacy, working hours, occupational health and safety, and freedom of association and right to organize
FY2020	・Engaged outside experts to give internal lectures in collaboration with NTT ・Held dialogues with overseas Group companies to obtain reports on their initiatives
FY2021	Continuously held dialogues with overseas Group companies to obtain reports on their initiatives

Moreover, the NTT DATA Group asks its suppliers to comply with the NTT Group's Supply Chain CSR Procurement Guidelines. Every year, we assess the sustainability risks of our supply chain, including the human rights status of primary suppliers, using the NTT Group Supply Chain CSR Promotion Checklist. The checklist (a self-assessment questionnaire, or SAQ) includes 140 items covering seven areas (human rights and labor, health and safety, the environment, fair trade and ethics, quality and safety, information security, and social contribution). In the area of human rights, for example, we respect freedom of association and the right to engage in collective bargaining, and we monitor our supply chain to prevent child and forced labor. In fiscal 2021, we received responses from approximately 58.6% of all suppliers. Depending on the situation, we are working to confirm the status of our efforts, identify issues, and disseminate the guidelines.

In October 2022, we revised the NTT DATA Group Guidelines for CSR in Supply Chain as the NTT DATA Group Guidelines for Sustainability in Supply Chain and disseminated to all NTT DATA Group companies, including outside Japan. This has been restructured from "recommendations and requests" to "requests" in terms of CSR for suppliers to further strengthen sustainability in the supply chain.

🖥 https://www.nttdata.com/global/en/about-us/procurement-policy

Measures to Address the U.K. Modern Slavery Act

Based on the U.K.'s Modern Slavery Act (MSA), which was passed in March 2015, NTT DATA UK complies with the MSA for all activities and investigations. We are also asking all our suppliers to comply with the MSA. We conduct procurement checks of our top suppliers on a regular basis to ensure compliance with many business-related laws and regulations, including the MSA, and surveys conducted since 2015 have confirmed compliance with the MSA. We have also investigated other suppliers, and if we find any noncompliance we swiftly point it out and take prompt action. We have also established an external and internal reporting system and conduct training as necessary. The Board of Directors conducts annual surveys on compliance.

Technology Ethics and AI Governance

Artificial intelligence (AI) will increasingly permeate society and influence people's behavior and decision-making. To promote the research, development, operation, and utilization of AI, we formulated the NTT DATA Group AI Guidelines in May 2019 to reduce the risks of "ethics and social acceptability" as represented by problems such as human rights infringements, for example, discrimination by AI, and to realize a human-centered society in which humans and AI truly coexist.

🖥 https://www.nttdata.com/jp/ja/news/release/2019/052900/ (Japanese version only)

Since then, we have expanded and continued our AI governance initiatives, including the formulation of the AI Development Process and its application to AI projects in July 2020, and the trial launch of the AI Quality Assessment Service in October 2020.

🖥 https://www.nttdata.com/jp/ja/news/release/2020/063000/ (Japanese version only)

In addition, with the aim of strengthening AI-related governance, we established the AI Advisory Board in April 2021, made up of outside experts, and continued its activities in fiscal 2022. Members of the Advisory Board and members at the forefront of our AI projects discuss technology trends, laws, and regulations, and the awareness of civil society regarding AI utilization, and incorporate the results into concrete means of AI governance. This fiscal year, based on the recommendations made by the Advisory Board, we are working to develop systems and guidelines for dealing with issues of ethics and social acceptability with AI applications.

As a result, we will reduce the occurrence of problems in AI projects from various perspectives and improve the quality and reliability of the AI solutions that we provide. This will enable society and customers to maximize the benefits of AI utilization and create an environment that will enable them to realize a sustainable society.

🖥 https://www.nttdata.com/jp/ja/data-insight/2022/0525/ (Japanese version only)

Meeting frequency	Exchange of opinions with executives on AI: Once a year Study sessions with frontline AI-related workers (manager-level): 4 times a year
Members (alphabetical order)	Chair Hiroyuki Morikawa (Professor, Graduate School of Engineering, The University of Tokyo) Members • Fuyuki Ishikawa (Associate Professor, Information Systems Architecture Science Research Division, National Institute of Informatics) • Yumiko Nara (Professor, Faculty of Liberal Arts, The Open University of Japan; Assistant Director, SOLVE for SDGs Program) • Satoshi Narihara (Associate Professor, Faculty of Law, Graduate School of Law, Kyushu University)

Note: As of April 2022

Promote DEI (Diversity, Equity, and Inclusion)

◆ Basic Policy and Promotion System

Promoting and realizing DEI (Diversity, Equity, and Inclusion) leads to innovation in the world and sustainable growth and the development of society. For this reason, we believe that DEI is indispensable for the development of our company, and it is clearly stated in the NTT DATA Group Code of Conduct.

We will respect all people (e.g., customers, business partners, employees) and their diverse personalities, backgrounds, ideas, and values. We are also working to realize a fair society in which each and every employee can play an active role in society by utilizing their talents, sharing their wisdom, and cooperating with all people. We aim to create new corporate value based on the two pillars of "Diverse Human Resources" and "Work-Style Innovation" by promoting activities under the global "Diversity, Equity, and Inclusion Statement—Bloom the Power of Diversity."

In March 2019, we signed a statement to support the objectives of the WEPs (Women's Empowerment Principles) and to act in accordance with the principles. Information gathering and networking have become easier on a global scale, and we are accelerating diversity by sharing knowledge globally.

◆ Specific Initiatives

Promoting the Advancement of Women's Careers

Following the enactment of Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, NTT DATA formulated an action plan to develop the workplace environments needed for the advancement of women. Looking back on past efforts and formulating a new plan, we are working as a united company to pursue our various goals consistently and steadily.

➢ **Targets for Advancing Women's Careers (Non-consolidated)**

Plan period	April 1, 2021, to March 31, 2026
NTT DATA issues	1. While there were no outstanding issues regarding gender discrimination in hiring or the state of continuous employment between men and women, we must continue working to increase job applications by female students and develop the population of female science students applying for jobs. 2. The percentage of women in management and leadership positions is low and needs to be increased. 3. For the further empowerment of women, we need to create an environment and culture that allow both men and women to share childcare and housework tasks equally, and to balance work and family life.
Quantitative targets	Target 1: Continue raising the percentage of female recruits to above 30% by the end of fiscal 2025 　　• Continuously above 30% since FY2016 (35.1% as of April 2022) Target 2: Increase the percentage of women in management positions to 10% by the end of fiscal 2025 　　• 7.5% as of March 31, 2022 Target 3: Increase the number of women in senior management positions (e.g., directors, heads of organizations) to 15 or more by the end of fiscal 2025 　　• 12 as of July 1, 2022 Target 4: Aim for 30% of eligible male employees to take childcare leave by the end of fiscal 2025 　　• 30.3% as of March 31, 2022

Initiatives for Advancing Women in the Workplace
• Dissemination of messages from top management through our in-house website
• Forums where top management discuss their own thoughts regarding diversity
• Diversity management training for current managers
• Unconscious bias training for all employees
• Formulation of development plans and monitoring for female employees
• Outside training for female candidates for leadership positions
• Seminars promoting career development for employees on or about to take childcare leave
• Seminars on balancing work and childcare commitments
• Third-party career development consultations for employees who return from leave, such as childcare or nursing care leave
• Women's Initiative @NTT DATA (voluntary activities by women in senior management positions)
• Introduction of profiles and career descriptions of diverse women in management positions via the Women's Advancement website
• Signed the Women's Empowerment Principles (WEPs)
• Promotion of Women's Initiative (implementation of sessions on women's advancement at the NTT DATA Global Conference)

Creating an Environment for Balancing Work with Childcare and Nursing Care
To help employees balance work with childcare and nursing care commitments, we have established a consultation service for childcare and nursing care, through which we provide information and advice on our systems and address questions and concerns that arise in employees' daily lives. We are implementing various measures in terms of childcare support. To support nursing care, since 2011 we have enabled employees to use the remote nursing care support services provided by Sea Care (nickname for Umi wo Koeru Care no Te, a specified nonprofit organization) with the aim of offering direct support to employees with nursing care responsibilities. Every year, we hold seminars to help employees balance work and nursing care with themes that reflect their needs. As the number of employees working remotely has increased, we are improving the way we provide online formats and seminar videos so that they can be viewed at any time. We provide a wide range of information and awareness training on an ongoing basis.

  [Reference page] Clients' Growth "Employee Data" Employees Using Childcare and Nursing Care Systems (Non-consolidated), Employees Who Return to the Company and Remain with the Company after Childcare or Nursing Care Leave (Non-consolidated)

➢ **Principal Systems (Non-consolidated)**

Principal Childcare Systems	Principal Nursing Care Systems

• Childcare leave
  Childcare leave can be extended until the child reaches four years of age.
  The deadline for application to return to work is one month prior to the expected return.
	• Nursing care leave
	  Nursing care leave can be extended up to a maximum of 18 months.

• Shorter working hours for childcare
  Shorter working hours for childcare are available until the child completes his or her third year of elementary school.
  The application deadline for shorter working hours is two weeks prior to the start.
	• Shorter working hours for nursing care
	  Shorter working hours for nursing care are available for a maximum of three years separate from nursing care leave.

<Egg Garden (In-House Day-Care Center)>
Egg Garden (in-house day-care center) for employees was opened on the first floor of the Toyosu Center Building Annex. We support the continuation of employees' careers by creating environments allowing them to give birth and take leave with peace of mind and return to work early as planned.

Support for Continuing Careers
To help employees continue their careers while balancing work with childbirth, childcare, and nursing care commitments, the NTT DATA Group is enhancing its systems while increasing employee understanding and improving workplace environments to make those systems more accessible.

<Other Primary Initiatives to Support Career Continuation>
• Offer an environment in which employees on childcare or nursing care leave can continue to view Company information
• Offer a communication handbook that introduces childcare and nursing care leave systems to provide support for those balancing care and work
• Hold seminars that support simultaneous management of work and nursing care
• Hold seminars on balancing work and childcare commitments
• Hold three-way interviews to support career development for employees who have returned to work after childcare or nursing care leave

LGBTQ and Sexual Minority Initiatives

NTT DATA promotes initiatives that support sexual minorities, such as the LGBTQ community, from the standpoint of creating environments that encourage active participation from a diverse range of human resources. In addition to messages from top management, we pursue other initiatives, such as workplace seminars to enhance understanding about LGBTQ issues, an LGBTQ helpline, annual LGBTQ seminars, and recruiting and behavior guidelines for "allies" (straight supporters of LGBTQ rights), who now number more than 500 at the Company. Since fiscal 2018, we have expanded systems for employees' spouses and families in traditional households to include same-sex partners. In April 2019, we participated in Tokyo Rainbow Pride 2019, Japan's largest LGBTQ parade, as a member of the NTT Group.

In June 2021, we established a new set of Guidelines for LGBTQ ALLY items for all Group operations worldwide.

From Promoting Employment of People with Disabilities to Advancement of People with Disabilities

To help employees with disabilities realize their potential, NTT DATA has sought to create various work opportunities through NTT DATA DAICHI Corporation, a special subsidiary established in July 2008. In June 2022, we formulated the NTT DATA Group Policy for the Advancement of People with Disabilities.

➢ **NTT Data Group Policy for the Advancement of People with Disabilities**

Quantitative targets
[Employment rate]
NTT DATA (non-consolidated): At least 2.5% of employees with disabilities by the end of fiscal 2023
NTT DATA Group: At least 2.3% of employees with disabilities by the end of fiscal 2025
[Expansion of employment with new jobs and qualities]
NTT DATA Group: Create 200 new employment and jobs by the end of fiscal 2025

➢ **NTT DATA DAICHI Primary Activities**

In addition to the following two businesses, we are engaged in an agricultural cooperative project with dairy farmers in Nasu-machi, Tochigi. We also continue to engage in recruitment activities in cooperation with vocational training schools for persons with disabilities.

IT Services	Office Business	
・ Maintenance and upgrades of websites for NTT DATA, Group companies, and customers outside the Group ・ Web accessibility assessment duties ・ Design work ・ Server construction and maintenance ・ Data entry ・ Preparing presentation materials	・ Answering and redirecting calls made to main switchboards ・ Long-term storage and management of internal documents ・ Collection and shredding of confidential documents ・ Production of employee IC cards ・ Office cleaning, sanitizing, and wiping	・ Printing business cards ・ Delivery of in-house documents ・ Screening and approval of application forms ・ Convenience store back-office duties ・ Management of beverage vending machines installed in a building

Promoting Reemployment of Retired Workers

The NTT DATA Group introduced its "Meister System" and "Career Staff System" for employees who wish to be rehired after mandatory retirement, enabling them to continue working vigorously until age 65. Employees under the "Meister System" are expected to achieve a certain level of results and performance by utilizing the work experience, job performance capabilities, knowledge, and skills they have cultivated by the time of their retirement; to perform their duties autonomously and proactively; and to provide advice and support to younger employees. It is a full-time system with monthly salary payments. The "Career Staff System" offers routine work on an hourly basis and allows employees to choose from a variety of work styles, such as full-time work, short-time work, and three- or four-day work.

In April 2021, we introduced an employment continuation system for employees who meet our requirements and wish to extend their employment after the age of 66. This allows them to continue working until the age of 70.

\<Life Plan Training\>

NTT DATA offers comprehensive support for our employees' life plans. We provide support and motivation for employees to design their life plans through self-education and self-study utilizing the website to the maximum extent so that employees can obtain necessary information according to their life events. We will continue offering training to help employees design life plans that include their professional aspirations.

➢ **Major Training and Activities in Fiscal 2021**

Target	Content of Training	Activities in FY2021
All employees	• Outline of life design • Significance and importance of life design • Basis of financial plan • Preparation and plan for marriage, childbirth and childcare, balancing work and childcare • Preparation and plan for education of children • Preparation and plan for housing • Preparation and plan for nursing care, balancing work and nursing care • Preparation and plan for post-retirement • Basis of risk management • Maintenance and improvement of health • Basis of career vision	Conducted online since FY2018
Mandatory retirement age	• Retirement benefits, corporate pensions, public pensions • Work options after retirement (internal system) • Financial planning	129 employees participated in 6 sessions

Third-Party Evaluations

Our various initiatives have been evaluated highly by third parties as follows.

- Since September 2017: We have continuously received Grade 3 (highest level) "Eruboshi" certification based on Japan's Act on the Promotion of Women's Participation and Advancement from the Ministry of Health, Labour, and Welfare.
- November 2019: We received "Platinum Kurumin" certification as an excellent parenting support company.
- March 2022: We were selected as a 2021 "Nadeshiko Brand" by the Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange for the third consecutive year as a listed company that excels in promoting the active advancement of women.
- March 2018: We were selected by METI and the Tokyo Stock Exchange for inclusion in the Diversity Management Selection 100 Prime program for our ongoing and company-wide diversity management activities.
- November 2021: We were awarded 4.5 Stars in the 5th Nikkei Smart Work Management survey, in which Nihon Keizai Shimbun, Inc., selects leading companies that promote major advances in productivity through work-style innovation.
- November 2021: We received a gold rating in the PRIDE Index for the fifth consecutive year. (The PRIDE Index was developed by "work with Pride" (wwP), a nonprofit organization.) This was in recognition of our efforts to create workplaces where LGBTQ employees can work with peace of mind.
- Selected for the "MSCI Japan Empowering Women (WIN) Select Index," an index developed by MSCI Inc. of the United States, which selects Japanese companies with high gender diversity scores that promote the active participation of women.

Digital Accessibility/Community Engagement

Improve people's QOL by providing services that enable everyone to have equal access to basic needs and understand issues and needs for the development of local communities and provide services that enrich people's lives

Basic Policy and Promotion System

With a focus on IT education, we will make donations and encourage employees to volunteer in programs that can contribute to the development of local communities. The NTT DATA Group, led by its Sustainability Innovation Department and Public Relations Department, collaborates with domestic and overseas Group companies, as well as NTT Group companies, to pursue social contribution activities. In the process, we work to understand social issues through communication with NGOs/NPOs and local communities for reflection in our implementation plans.

Promote IT Education

With a focus on IT education, the NTT DATA Group supports the improvement of IT skills and IT literacy of children and NPOs/NGOs by encouraging employees to volunteer in programs that utilize the expertise of employees and financial and technical support in the IT field, which is our strength, for programs that can create impact in solving a wide range of social challenges related to the environment, health, poverty, gender, and so forth.

In December 2020, the Japan NPO Center, the General Incorporated Association Code for Japan, and the ETIC., an NPO, conducted a nationwide survey on the use of IT by nonprofit organizations with us. The results of the survey revealed that NPOs are eager to utilize IT in a wide range of fields, despite the high barriers to understanding IT utilization and funding. On the other hand, there is a shortage of IT human resources in terms of both number and quality, and they are required to provide advice on IT utilization for NPOs from a management perspective as Social Technology Officers (STOs). Currently, the four parties are planning to hold seminars to identify STOs and promote IT utilization by NPOs to promote matching between NPOs and STOs.

Many of our employees have experience working with NPOs that deal with social issues on a daily basis, and the aforementioned support activities help them learn about specifics behind the issues and the existence of related stakeholders. This in turn helps improve their ability to design solutions for social issues and increases their sensitivity to areas where IT can contribute. We will continue working to create businesses that address social issues by systematically enhancing the Group's own sensitivity to and understanding of social issues.

🖥 https://www.nttdata.com/global/en/sustainability/community/

Activity Results

As a global corporate group, the NTT DATA Group engages in a variety of activities to help build better societies in regions around the world.

Consolidated coverage **52** countries and regions   Number of consolidated subsidiaries **312**

Number of participants in contribution activities **3,932**   Cost of contribution **¥900.6**million

➤ **Cost of Contribution Activities**

(¥ millions)

	FY2019	FY2020	FY2021
North America	15.066	22.784	21.869
EMEAL[1]	8.205	16.422	30.151
China, APAC, and Japan	20.932	21.303	39.400
Japan (Non-consolidated + Domestic Group Companies) ☑	204.54	212.89	388.73
Total donations (including matching-gift funding support)	197.42	178.94	370.68
Cost of other contribution activities	7.12	33.95	18.05

➤ **Number of Social Contribution Participants**

(Persons)

	FY2019	FY2020	FY2021
North America	5,000	813	803
EMEAL[1]	15,346	16,505	2,008
China, APAC, and Japan	6,452	2,725	1,121

1: Part of the cost of contribution activities and the number of social contribution participants in fiscal 2021 are currently being calculated.

Contents

Note: The following content is described in "Trusted Value Chain"
under Clients'Growth:
"Risk Management," "Ensure Information Security and Protect
Data Privacy," "Respond to Disaster Risks," "Promote
Responsible Supply Chain," "Ensure Compliance," "Tax
Transparency," and "Appropriate Corporate Branding."

Corporate Governance

Basic Policies and Promotion System

Basic Policies and Initiatives

The NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to create new systems and values with information technology for a more affluent and harmonious society, and by forecasting future trends to swiftly and accurately respond to the changing market environment, client needs, and cutting-edge technology trends.

Under this mission, the NTT DATA Group has set the Medium-Term Management Plan from fiscal 2022 to fiscal 2025, aiming to realize a sustainable society together with clients by creating value for the future and connecting various people with technology as a Trusted Global Innovator.

Under these concepts, the NTT DATA Group is working on the following basic policies in accordance with the purpose of each principle of the Corporate Governance Code to ensure that corporate governance will effectively function: 1) ensure transparency and soundness in business management, 2) achieve appropriate and swift decision-making and business execution, and 3) implement compliance thoroughly. The purpose of such basic policies is to meet the various expectations of stakeholders, including shareholders, investors, clients, business partners, and employees, and to maximize corporate value.

Please refer to the Annual Securities Report for details on the three policies for strengthening corporate governance.
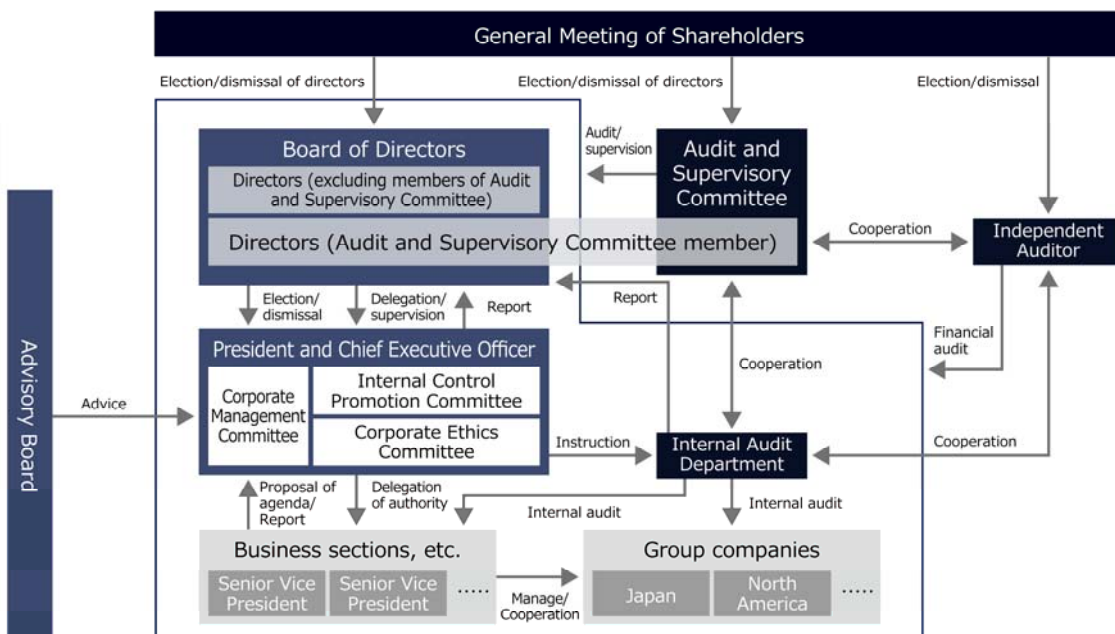
📖 https://www.nttdata.com/jp/ja/ir/library/asr/ (Japanese version only)

Corporate Governance System

The Company believes that having Audit and Supervisory Committee Members who have auditing and supervisory duties and hold voting rights on the Board of Directors and an Audit and Supervisory Committee, all the members of which are Outside Directors, further strengthens the Board of Directors' supervisory functions and corporate governance, therefore the "Company with an Audit and Supervisory Committee" structure has been adopted. We have established the Ordinary General Meeting of Shareholders, Board of Directors, and Audit and Supervisory Committee as corporate organizations. We have also established a Corporate Management Committee to speed up decision-making in business execution.

From the perspective of strengthening the supervisory function of business execution, the Company has appointed independent outside directors who are unlikely to have conflicts of interest with general shareholders to constitute the majority of the Board of Directors.

➤ **Corporate Governance System**

Board of Directors Number of meetings held in fiscal 2021: 16	• Consists of 13 directors, including seven independent outside directors (three of whom are women and one of whom is a foreign national). • Meets once a month in principle and otherwise as necessary to make decisions and supervise important management matters, other matters as required by law, and to discuss strategic management issues.
Audit and Supervisory Committee Number of meetings held in fiscal 2021: 26	• Consists of four directors from outside the Company (including two women). • Meets once a month in principle to make decisions on audit policies, plans, methods, and other important audit-related matters. • Each member attends meetings of the Board of Directors and other important meetings to communicate with executive directors and outside directors and audit the status of business execution as appropriate. (A dedicated organization called the Audit and Supervisory Committee Office has been established to support these efforts.) • The Committee expresses opinions on such matters as appointment, dismissal, or resignation, as well as compensation and other matters, related to directors who are not Audit and Supervisory Committee members.
Corporate Management Committee Number of meetings held in fiscal 2021: 40	• Consists of the President, Vice President, Area Directors, and Managing Executive Officer, and the heads of other relevant key organizations. • Meets once a week in principle to make smooth and prompt decisions and supervise business operations. • One director who is an Audit and Supervisory Committee member participates in these meetings to increase the transparency of decision-making.
Internal Control Promotion Committee	• Consists of the heads of organizations related to risk, compliance, and Group governance and is chaired by the executive officer in charge of corporate management. • Works to establish a robust internal control system by verifying the effectiveness of internal controls and making recommendations for improvements, and reports the results to the Board of Directors (meets twice a year).
Corporate Ethics Committee	• Consists of the heads of organizations related to corporate ethics and is chaired by the executive officer in charge of corporate control. • Meets once a year with the aim of fostering a corporate culture of compliance with laws, regulations, corporate ethics, and the like, and reports to the Board of Directors on the status of compliance with corporate ethics and the like.

Board of Directors

➢ **Composition of the Board of Directors**

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of directors		Persons	11	13	15	15	13
	Executive directors	Persons	8	6	6	6	4
	Non-executive directors	Persons	5	9	9	9	9
Audit and Supervisory Committee members (Outside)[1]		Persons	—	—	4 (4)	4 (4)	4 (4)
Chairman of the Board of Directors		—	President	President	President	President	President
Number of Board meetings held		Times	18	13	14	16	18
Board meeting attendance rate (average)		%	98	99	100	100	—
Term of office for directors[2]		Years	2	2	1[2]	1[2]	1[2]
Average length of service (years)		Years	1.5	2.2	1.2	2.0	2.8

1. NTT DATA transitioned to a "Company with an Audit and Supervisory Committee" according to a resolution of the Ordinary General Meeting of Shareholders on June 17, 2020.
2. Refers to the term of office of directors who are not Audit and Supervisory Committee members.

◆ **Independence of Board of Directors**

Although the Company does not have uniform criteria or policies regarding the independence of outside directors from the Company, the Company appoints independent directors who meet the criteria set by the Tokyo Stock Exchange, including those who have management experience at other companies, and the majority of the Board of Directors are independent outside directors. When appointing outside directors designated by the Company as independent directors/auditors, the Company makes judgments based on its own standards in addition to the independence standards set by the Tokyo Stock Exchange.

Independence Standards and Qualification

A person who does not fall under any of the following items for the three most recent financial years:

(1) A business executor of NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA[1];

(2) A business executor of NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA[2];

(3) An individual providing specialized services, such as a consultant, accountant, or lawyer, who has received from NTT DATA any money or other property profit that is worth ¥10 million or more per year other than executive remuneration in any year of the three most recent financial years; or

(4) A business executor of an organization that has received contributions exceeding NTT DATA's set standards[3].

Even if a person falls under any of the conditions as stipulated above, any reason for judging that such person still has independence is required to be explained and disclosed when such person is appointed as an independent director.

1. NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA refers to a business partner whose trading amount with NTT DATA is 2% of NTT DATA's non-consolidated annual sales or larger in any financial year out of the three most recent financial years.
2. NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA refers to a lender who lends to NTT DATA 2% or a larger percentage of NTT DATA's total assets in any financial year out of the three most recent financial years.
3. An organization that has received contributions exceeding the standards set forth by NTT DATA refers to an organization that has received contributions from NTT DATA that exceed ¥10 million per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any financial year out of the three most recent financial years.

◆ **Board Diversity**

To diversify the Board of Directors, NTT DATA has appointed foreign-national directors and outside directors. At the 34th Ordinary General Meeting of Shareholders held in June 2022, three female directors and one foreign national were approved, reflecting our emphasis on diversity with respect to nationality and gender. Our aim is to increase the number of women in senior management positions (e.g., directors, heads of organizations) to at least 15 by the end of fiscal 2025. We are also diversifying the management decision-making processes in the Corporate Management Committee and other organizations, with the addition of female heads of organizations and foreign officers.

➢ **Board Diversity**

(Persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of directors	11	13	15	15	13
Women	0	1	2	2	3
Foreign nationals	1	1	1	1	1
Outside (including independent officers)	2 (2)	2 (3)	7 (5)	7 (5)	8 (7)

Incorporating Diverse Perspectives into Management

NTT DATA continues to strengthen functions that oversee fairness in business execution by inviting directors from outside the Company. As of July 2022, we had eight outside directors (four of whom are also Audit and Supervisory Committee members). In appointing outside officers, the Company provides selection criteria that anticipate that they will bring to management opinions from broad perspectives that draw on their respective experience. We have seven outside directors registered as independent directors/auditors who meet the requirements of Tokyo Stock Exchange regulations, as well as our own in-house requirements. In 2012, moreover, we established an Advisory Board for the purpose of receiving advice from experts outside the Company. Since then, we have used the board to broaden management's multifaceted perspectives and promote growth and sound business operations.

◆ **The Board of Directors (Skill Matrix)**

Name	Corporate Management	International	Sales/ Marketing Consulting	Development/ R&D	Business Management	Finance & Accounting	Legal & Administrative	Particular Field of Expertise (Executors only)
Yo Honma	●		●	●	●			Financial/ Enterprise & Solutions Segments
Shigeki Yamaguchi	●		●	●	●			Public & Social Infrastructure/ Enterprise & Solutions Segments
Toshi Fujiwara	●	●		●	●			Financial Segment
Kazuhiro Nishihata	●	●	●		●			Global Business Sector
Eiji Hirano	●	●			●	●		—
Mariko Fujii		●					●	—
Patrizio Mapelli	●	●	●		●			—
Fumihiko Ike	●	●	●		●			—
Shigenao Ishiguro	●	●		●	●			—
Katsura Sakurada					●	●	●	—
Akihiko Okada	●		●		●	●		—
Tomoko Hoshi		●				●		—
Mitsuko Inamasu							●	—

1. The ESG field is included in Business Management.
2. Up to four major skills possessed by each person are marked with "●."

◆ **Initiatives for Active Discussions at the Board of Directors**

Board of Directors Agenda Items

The implemented items at the Board of Directors and the details of implementation in fiscal 2021 are as follows.

・Decided on matters stipulated in the Regulations of the Board of Directors, including matters stipulated by laws and regulations, and important matters related to corporate management and group management, such as management strategies and investments.

・Supervised the execution of duties by directors by receiving periodic reports on the status of the execution of duties from directors.

・Implemented initiatives to hold discussions both in and outside the Board of Directors with the aim of strengthening discussions on strategic management matters. (In fiscal 2021, active discussions were held on various matters, mainly on the Medium-Term Management Plan, as well as matters related to the integration of the NTT DATA Group's overseas operations with NTT Corporation's overseas operations.)

➢ **Main Agenda Items**

Category	Issues and Content
Resolution	・ **Matters related to the integration of the Group's overseas businesses and NTT Corporation's overseas businesses** ・ Matters related to equity investment ・ Matters related to orders received and investments ・ Matters related to the integration and reorganization of the regional headquarters in EMEAL ・ Matters related to the redevelopment of the NTT Shinagawa TWINS area
Report	・ Results of initiatives related to internal control and plans for the next fiscal year ・ Results of implementation of internal audits and plans for the next fiscal year ・ Monitoring of important projects (confirmation of progress toward preventing the occurrence of unprofitable projects, etc.) ・ Status of IR activities and reporting of investor opinions ・ Matters related to cross-shareholdings (verification of significance of holding individual shares)
Discussion	・ **Matters related to the integration of the Group's overseas businesses and NTT Corporation's overseas businesses** ・ Matters related to the Medium-Term Management Plan (review of the previous Medium-Term Management Plan, formulation of the New Medium-Term Management Plan) ・ Response to the revised Corporate Governance Code ・ Cloud strategies (business strategies for sustainable cloud business expansion) ・ Financial sector business strategies (business strategies for regional bank customers) ・ Evaluation of Board of Directors effectiveness ・ Formulation of the Group Code of Conduct

Initiatives for Active Discussion

< Ensuring sufficient time for discussion>

・ Develop plans for the annual schedule of the Board of Directors and rough agenda items in advance.
・ By classifying Board of Directors proposals into "reports," "resolutions," and "discussions," more discussion time is secured for highly important resolutions and discussions.
・ Delegation of authority related to business operations to each Director and Executive Officer.
・ By narrowing down the number of proposals, the Board of Directors will discuss mainly matters that will have a significant impact on the Company's management.

<Provision of information and support to outside directors>

・ Explain the content of important proposals to outside directors before each Board of Directors meeting and resolve any questions.
・ During Board of Directors deliberations, directors responsible for the implementation of each proposal provide supplementary explanations on important points, strategic significance, etc.
・ Enhance detailed explanations to outside directors on the business environment, business status, etc.

<Training of directors>

・ Directors are appointed from those who have broad knowledge about business, financial affairs, and organizations, etc., and they are trained if necessary. After taking office, the training program targeted at directors and audits continues with a wide range of training sessions on market trends and economic and social issues at home and abroad.

Board of Directors: Effectiveness Evaluation

With the purpose of enhancing the functions of the Board of Directors and to enhance corporate value, the Board of Directors has been implementing self-evaluation and analysis with the involvement of an external organization since fiscal 2016 to ensure objectivity on the effectiveness of the Board of Directors. In fiscal 2021, the Company conducted a survey of all directors (including Audit and Supervisory Committee Members). Based on an analysis of the results of the survey conducted by an external organization based on comparison with the average ratings of other companies, the Company also conducted individual interviews with outside directors and foreign directors to further deepen their analysis, discussion, and evaluation. The evaluation results are then reported to the Board of Directors, where the results are verified and discussed to explore policies for further improvement.

➤ **Effectiveness Measurement Results and Response**

	Result of Measurement of Effectiveness Measures in the Current Fiscal Year	Key Measures for the Next Fiscal Year
FY2019	With regard to the enhancement of communication opportunities between outside directors and corporate auditors, our evaluation score increased, representing an evaluation that improvements were being made.	• Increase the emphasis on discussions about strategy and risk management. • Strengthen the monitoring of matters that significantly affect the Company's management.
FY2020	The Company received a certain level of praise by carefully providing explanations in advance of Board of Directors meetings, enabling the Board to deepen and strengthen discussions on management strategies and other important matters.	• Improve operational efficiency to allocate more time for discussion. • Enhance the clarity of explanations and materials. • Increase opportunities for communication among directors. • Increase opportunities for explanations about the IT industry, technology trends, and the like.
FY2021	Sufficient discussion of management strategies and management plans at the Board of Directors was highly evaluated to a certain extent by setting up meetings exclusively for strategic discussions, narrowing down agenda items, providing careful prior explanations, and setting up opportunities to provide information to outside directors outside of the Board of Directors.	• Conduct strategic discussions based on annual plans. • Strengthen the monitoring of investee companies. • Enhance opportunities for communication between executives and outside directors. • Provide opportunities to deepen knowledge and on-site understanding of IT and digital.

Appointment and Dismissal of Directors and Senior Management

Policies and Procedures for Appointment and Dismissal of Directors and Senior Management

The size of the Board of Directors is commensurate with the nature of the Company's business and takes into account a balance of expertise and internationality and other aspects of diversity (including factors such as gender, race, ethnicity, and cultural background).

Number of members and term	Directors who are not Audit and Supervisory Committee members: up to 11 people/1 year Directors who are Audit and Supervisory Committee members: up to 4 people/2 years
Nomination policy for candidates for positions as Directors that are not Audit and Supervisory Committee Members	To improve the corporate value of the entire NTT DATA Group, candidates for director who are not Audit and Supervisory Committee members shall be appointed from personnel who have broad perspectives and experience that can contribute to Group-wide development, excel in management ability and leadership, and have a good sense of business management and passion. The size of the Board of Directors is in direct proportion to the scale of business, and it is composed with consideration of having diversity[1] from various standpoints including internationality and a balance of desired specializations[2]. To strengthen the supervising function of business execution, the Company appoints and nominates as independent directors personnel who do not have any possibility of causing conflict of interest with the general shareholders. In principle, independent directors who have management experience at other companies are to be appointed in numbers that exceed one-third the total number of directors. 1. Includes diversity in terms of gender, age, work history, race, ethnicity, and cultural background. 2. "The Board of Directors (Skill Matrix)" defines the desired fields of specialization and their balance on the Board of Directors. [Reference page] The Board of Directors (Skill Matrix)
Nomination Policy for candidates for Director who are Audit and Supervisory Committee Members	The candidates for director who are Audit and Supervisory Committee members are to be appointed from personnel that NTT DATA can expect to conduct audits from the viewpoints of specialized experience and knowledge. To ensure impartiality in audits and supervision of the business execution of directors who are not Audit and Supervisory Committee members, NTT DATA appoints outside directors to represent a majority of directors who are Audit and Supervisory Committee members in accordance with the Companies Act.
Procedures for appointment	The backgrounds of candidates are explained to the independent outside directors and directors who are members of the Audit and Supervisory Committee, and the parent company, who then provide appropriate advice to the Board of Directors. The Board then adopts a resolution that is submitted to the Ordinary General Meeting of Shareholders. In addition, with regard to the election of candidates for director who are not Audit and Supervisory Committee Members, the right to state opinions regarding the nomination by the Audit and Supervisory Committee shall be appropriately utilized. For directors who are Audit and Supervisory Committee members, nominations are made by the Board of Directors after discussion and consensus by the Audit and Supervisory Committee, which includes a majority of outside directors who are Audit and Supervisory Committee members, and this proposal is submitted to the General Meeting of Shareholders.
Procedures for dismissing senior management	If a management executive is found not to be performing his/her role properly, the reasons for dismissal are explained to the independent outside directors, directors who are Audit and Supervisory Committee members, and the parent company, who then provide appropriate advice to the Board of Directors. The Board then adopts a resolution that is submitted to the Ordinary General Meeting of Shareholders. As appropriate, the Audit and Supervisory Committee has the right to state its opinions about nominations.
Number of concurrent positions	Directors allocate the time and labor required to appropriately perform their roles and duties, and therefore the number of their concurrent posts shall be within a reasonable range. (The status of directors who concurrently serve as officers of different listed companies are disclosed in business reports and in reference documents for the Ordinary General Meeting of Shareholders.)

Please refer to the NTT DATA Integrated Report 2022 for the status of concurrent posts of outside officers.

🖳 https://www.nttdata.com/global/en/investors/library/ar

Appointment of Audit and Supervisory Committee Members

Recognizing its liability to the shareholders, the Audit and Supervisory Committee audits the execution of duties by directors as an independent organization and performs its duties so as not to damage the Company or the interests of the shareholders. It also frequently exchanges information through discussions with representative directors and outside directors.

Number of members	Up to four members, including those with specialized knowledge (according to the Articles of Incorporation)
Selection policy	• Candidates for director who are Audit and Supervisory Committee members shall be appointed from personnel who can be expected to perform audits and supervision based on professional experience and insight. • To ensure fairness in auditing and supervising the execution of duties of directors who are Audit and Supervisory Committee members, the majority of such directors who are Audit and Supervisory Committee members shall be appointed from outside directors in accordance with the Companies Act.
Selection procedures	• Proposals for the appointment of directors who are Audit and Supervisory Committee members shall be resolved by the Board of Directors after deliberation and approval of the Audit and Supervisory Committee (the majority of whom are outside directors who are Audit and Supervisory Committee members) and then submitted to the Ordinary General Meeting of Shareholders.
Number of concurrent positions	• Directors who are Audit and Supervisory Committee members allocate the time and labor required to appropriately perform their roles and duties, and therefore the number of their concurrent posts shall be within a reasonable range. (The status of officers who concurrently serve as directors who are Audit and Supervisory Committee members of different listed companies are disclosed in business reports and in reference documents for the Ordinary General Meeting of Shareholders.)

Please refer to the NTT DATA Integrated Report 2022 for the status and term of office of Audit and Supervisory Committee members
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🖥 https://www.nttdata.com/global/en/investors/library/ar

Director Remuneration

Policy for Determining Director Remuneration

To ensure objectivity and transparency, the remuneration policies for the directors who are not Audit and Supervisory Committee Members and the composition and level of remuneration are determined by the Board of Directors, a majority of which consists of independent outside directors, within the scope of the amount resolved at the General Meeting of Shareholders, after explaining the policies for determining remuneration to the independent outside directors, the directors who are Audit and Supervisory Committee Members, and the parent company, and obtaining appropriate advice. The amount of individual compensation is determined by Yo Honma, President and Representative Director, who is entrusted by the Board of Directors. The Company has delegated this authority to the President and Representative Director because it believes that appropriate decisions can be made while giving an overview of the Company's overall business performance. In addition, to ensure the appropriate exercise of such authority, the Company has taken measures to exercise such authority while respecting the opinions of outside directors and the right to state opinions on the Audit and Supervisory Committee's remuneration.

◆ Compensation Structure

In fiscal 2021, the Company introduced a performance-linked stock compensation plan with the aim of further clarifying the link between director compensation and the Company's corporate value and encouraging directors to share with shareholders the benefits and risks arising from stock price fluctuations, thereby raising their awareness of contributing to medium- to long-term improvement in business performance and corporate value.

The compensation structure and compensation breakdown ratios for each director are as follows.

		Fixed Remuneration	Performance-Linked Compensation	
			Short-term (bonuses)	Medium- to long-term (stock compensation)
Directors who are not Audit and Supervisory Committee Members	Inside	●(50%)	●(30%)	●(20%)
	Outside	●(100%)	—	—
Directors who are Audit and Supervisory Committee Members		●(100%)	—	—

Fixed remuneration: Consists of the acquisition of treasury stock and stock compensation through the officers' shareholding association

Performance-linked compensation (short-term): Bonus paid in June of each year in consideration of business performance for the fiscal year concerned

Performance-linked compensation (medium- to long-term): Consists of the acquisition of treasury stock and stock compensation through the officers' shareholding association

In the event of serious misconduct or violation by a director, or in the event that a director enters into an employment contract or a power of attorney contract with another company in the same industry without the Company's permission, a clawback provision has been established that allows for the forfeiture or confiscation of the right to receive the Company's shares and for a demand to return money equivalent to the value of the shares granted.

Performance Indicators for Bonuses

Financial targets set out in the Medium-Term Management Plan are set as performance indicators and evaluated based on the year-on-year improvement and the achievement level of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a predetermined method, weighting each indicator based on the evaluation weights in the table below, and then multiplying this by a basic bonus amount according to the position of the director.

From the perspective of promoting sustainability, we will make changes to the performance indicators for bonuses from fiscal 2022 onward, including the addition of three new indicators based on the themes necessary to realize a sustainable society.

Classification	Performance Indicators		Evaluation Weight
Year-on-year improvement	Financial indicator	Operating income	35%
Achievement of the plan			35%
		Overseas operating margin	10%
		ROIC	5%
	Sustainability index	Greenhouse gas emissions	5%
		B2B2X revenue	5%
		Promotion rate of new female managers	5%

Note: In addition to the above, the Company evaluates the number of B2B2X projects that we have achieved.

Total Remuneration for Directors and Remuneration Ratio to Employees

◆ Total Remuneration for Directors (Fiscal 2021)

Executive Classification	Number of Persons	Total Remuneration by Type (¥ millions)			Total Remuneration (¥ millions)
		Fixed (paid monthly)	Short-term performance-linked compensation (bonus)	Mid- to long-term performance-linked compensation (stock compensation)	
Directors who are not Audit and Supervisory Committee members (excluding outside directors)	8	226	134	49	410
Directors who are Audit and Supervisory Committee members (excluding outside directors)	—	—	—	—	—
Outside Directors	8	178	—	—	178
Total	16	404	134	49	588

Notes:
1. The total amount of consolidated remuneration for each officer is not stated because no officer received more than ¥100 million.
2. The above includes one director who is also an Audit and Supervisory Committee member and one director who is not an Audit and Supervisory Committee member who retired at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021.
3. At the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, it was resolved that directors who are not Audit and Supervisory Committee members' remuneration shall consist of three types: (i) Monetary remuneration: no more than ¥460 million per year (including no more than ¥50 million per year for outside directors); (ii) Amount to be paid to directors as funds for acquisition of the Company's shares through the officers' shareholding association: no more than ¥30 million per year; and (iii) Amount to be contributed to the performance-linked stock compensation plan: no more than ¥90 million per year. At the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, it was resolved to change the monetary remuneration to no more than ¥460 million per year (including no more than ¥80 million per year for outside directors).
   At the conclusion of this General Meeting of Shareholders, there were nine directors who are not Audit and Supervisory Committee members (including four outside directors).
4. By resolution of the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020, total annual remuneration for directors who are also Audit and Supervisory Committee members (4 persons) shall be ¥150 million or less. At the conclusion of this General Meeting of Shareholders, there were four directors who are also Audit and Supervisory Committee members.
5. The amount of stock compensation payment is the amount calculated by multiplying the number of points determined to be granted for the current period by the market value of the Company's shares at the time of acquisition by the trust (¥1,804 per share) and recording that as expenses.

Director−Employee Remuneration Ratio (Fiscal 2021)
The ratio of remuneration per director to that per employee was 4.8:1.

Group Governance

Basic Policies and Promotion System

For important matters, such as business planning, internal control, and compliance, NTT DATA's basic policy is to ensure appropriate business operations throughout the Group by instituting rules for consultation and reporting within each Group company. Based on this policy, the Company has established a cooperative system through the establishment of a liaison department in NTT DATA that connects to each Group company. In particular, Group governance has been reinforced in response to the rapid expansion of overseas operations through M&A activities.

Specifically, the Company is establishing a system centered on four operating regions—North America, EMEA (Europe, the Middle East, and Africa) and Latin America, China, and APAC (Asia-Pacific)—and business solutions. NTT DATA has instituted rules for consultation and reporting between the Company and Group companies in relation to such important matters as business plans, large-scale projects, internal control, and compliance.

In addition, a Nomination and Compensation Committee and an Auditing Committee have been established within each regional headquarters. While leaving business operations to each Board of Directors, we are building governance to enable unified management as a group. At the same time, we have established a system for sharing information on important matters of concern, such as risk information, as appropriate, based on a comprehensive internal control system that includes overseas organizations.

In July 2022, we also established the Global Governance Headquarters, which integrates legal, intellectual property, risk management, disaster management, and other functions, with the aim of strengthening global governance through the formulation and monitoring of policies related to governance and compliance on a global scale. By supporting global business growth based on a consistent strategic perspective, we will contribute to the realization of the Global 3rd Stage and the transformation of the NTT DATA Group toward continuous improvement of corporate value.

◆ Specific Initiatives

Governance system for integrated Group management
We are building a governance system that enables the unified management of the Group while delegating responsibility for business management to each regional head office. As part of this initiative, we established Nomination and Compensation committees and Auditing committees within the boards of directors in each regional head office.

System for sharing important information
We have a structure that facilitates the appropriate and timely sharing of information about risks and other important matters of concern, based on a comprehensive internal control system that includes overseas organizations.

Common accounting system for all domestic Group companies
In fiscal 2013, NTT DATA increased management efficiency by introducing a common accounting system for use by all domestic Group companies. As of March 31, 2022, around 70 major domestic Group companies were using this system. Having many domestic Group companies use a common accounting system enables centralized management of accounting information and more effective internal control, as well as significant reduction in maintenance and operational burdens.

Group Management Infrastructure System
To increase the efficiency of Group management, NTT DATA introduced the in-house Group Management Infrastructure System that visualizes domestic Group companies' management information (in the financial and personnel fields). Through this new system, we aim to optimize management resource allocation to reflect project characteristics, expedite business management, enhance the precision of information used for decision-making, and realize Group synergies.

Reliable Group governance based on the NTT DATA Group Management Policies and the NTT DATA Group Management Rules
In the pursuit of optimal Group-wide management, we established the NTT DATA Group Management Policies to define our basic approach to Group management. We also engage in discussions with and receive reports from each Group company on important matters related to business operations and work to ensure sound operation of Group governance in accordance with the NTT DATA Group Management Policies.

Retaining executives of acquired companies
The NTT DATA Group recognizes that maintaining the employment of executives of companies is important not only for business continuity and enhancing competitiveness but also for securing an effective Group governance system of the entire Group. For this reason, at the time of making investments, we utilize various schemes, such as long-term incentives (remuneration for a certain period of service) and earn-out arrangements (installment payment of acquisition price), according to the scale and content of each project.

Efforts to instill the Group Vision
The NTT DATA Group is working to instill the Values that express the values we cherish to achieve the Group Vision we have set for 10 years from now. Since 2014, we refer to the week of May 23, the date of our founding, as "Values Week." During Values Week, we provide various opportunities for dialogue, including events for employees to talk about our Values. During Values Week 2019, more than 30,000 Group employees in about 100 cities and 30 countries took part in workshops and events and discussed the Values with passion.

Consolidating the NTT DATA Group's Core Business Operations
Consolidating the NTT DATA Group's core business operations into NTT DATA Management Services has enabled us to reduce costs and strengthen internal controls and governance, including compliance with Japan's Financial Instruments and Exchange Act (J-SOX).

Corporate Group's Organizational Policy Centered on the Parent Company

The NTT Group, with NTT DATA's parent company (Nippon Telegraph and Telephone Corporation) at its center, engages mainly in the businesses of regional communications, long-distance/international communications, mobile communications, and data communications. The parent company formulates management strategies for the NTT Group as a whole. Based on those strategies, the parent company takes responsibility for its own management and operates its businesses independently.

Among the aforementioned businesses of the parent company, NTT DATA engages in the data communications business focusing on five areas—public & social infrastructure, financial, enterprise & solutions, North America, and EMEA—and advances its business in collaboration with other NTT Group companies.

Currently, the parent company owns 54.19% of NTT DATA's voting rights, which makes the parent company the majority shareholder of NTT DATA.

One employee of Nippon Telegraph and Telephone Corporation has been appointed as a director of NTT DATA to incorporate a wide range of management perspectives. Because we currently have five independent outside directors making up at least one-third of our 15-member Board of Directors, however, we believe this does not hinder our management decisions.

NTT DATA consults with and/or reports to the parent company on significant issues related to its business operations. In our day-to-day business operations, however, we maintain close mutual ties while fully respecting each other's independence and self-reliance as we target sustained growth and development and improved business performance.

Even after a restructuring of the NTT Group in November 2018, there has been no material impact on our corporate governance because we maintained our current management structure and public listing.

Our basic policy is to ensure the appropriateness of business operations throughout the NTT DATA Group by establishing rules for consultation and reporting with Group companies on important matters related to business operations. With this in mind, we established an in-house department responsible for cooperation with Group companies.

Policy on Governance of Listed Subsidiaries

In Japan, NTT DATA has three publicly listed subsidiaries: NTT DATA INTRAMART CORPORATION, X-NET Corporation, and Netyear Group Corporation. We maintain close mutual ties with these subsidiaries while fully respecting each other's independence and autonomy as we target sustained growth and development and improved business performance.

Our basic policy is to ensure the appropriateness of business operations across the entire Group through consultations and reports from each company regarding important matters related to business operations. We have also established a system of cooperation, including the establishment of a division responsible for cooperation with Group companies.

	NTT DATA INTRAMART CORPORATION	XNET Corporation	Netyear Group Corporation
Field	Technology Consulting & Solution	Financial	Enterprise
Main business	Packed software sales	System sales	SIP (Strategic Internet Professional Services) business
Significance of ownership	Listing allows for cooperation and capital alliances with companies that could compete with the parent company, thereby making it possible for NTT DATA INTRAMART CORPORATION to flexibly develop web system infrastructure businesses and package software development and sales businesses.	Listing makes it possible to maintain independence from the parent company and to conduct management thet respects individuality, enabling flexible business development in various securities-related service fiels.	Listing makes it possible to enhance the strength of the company's brand and enable flexible development of marketing support businesses using digital technologies
Ownership ratio of voting rights	47.9%	51.2%	48.5%
Board of Directors configuration (As of July 2022)	5 members	9 members	9 members

Directors are executive officers or employees of the Company   Directors are not executive officers or employees of the Company

Measures Concerning Shareholders andOther Interested Parties

Protection of Minority Interests

Regarding the relationship between the Company and the parent company, the basic policy is to cooperate while fully respecting each other's independence and autonomy, and to appropriately conduct transactions, etc., with the company in accordance with laws and regulations.

When we do business with the parent company and NTT Group companies, we are mindful of maximizing the profits of our shareholders as a whole. Specifically, the Company confirms the reasonableness and appropriateness of the contents of transactions and, as necessary, the Legal Department, taking into account the opinions of third-party experts, examines them in advance, and approves them in accordance with the Rules of Authority. When engaging in business transactions, the terms and conditions of the transactions and the method of determining them are the same as those of other business partners.

Decisions on important contracts concluded with the parent company are made after legal review by the Legal Department. The Board of Directors' approval is required for important contracts to ensure independent decision-making from the parent company. Moreover, the Board of Directors consists of 13 directors, including seven independent outside directors. At present, independent outside directors account for the majority of all directors.

Measures to Vitalize the General Shareholder Meetings and Ensure the Smooth Exercise of Voting Rights

Content of Measures	Supplementary Explanations
Early Notification of General Shareholders Meeting	The notices calling for the shareholders' meeting held in June 2022 were dispatched earlier than the date fixed by law by three business days.
Scheduling AGMs Avoiding the Peak Day	NTT DATA has set the shareholders' meeting avoiding the date on which other companies' meetings are concentrated to ensure that as many shareholders as possible can attend its meeting.
Allowing the Electronic Exercise of Voting Rights	NTT DATA has created a website for the execution of voting rights at the website of a manager of a shareholders' list so that it can accept the execution until 6 p.m. on the day before the day of the shareholders' meeting.
Participation in the Electronic Voting Platform and Other Measures to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors	Voting rights can be executed through the ICJ platform targeted at institutional investors that is operated by Investor Communications Japan (ICJ). Starting from the ordinary general meeting of shareholders held in June 2018, investors can execute the voting rights by using smartphones or other devices.
Providing the Convocation Notice in English	The Company prepares an English version of the convocation notice and uploads that on NTT DATA's website at the same time as the Japanese version.
Other	The notice calling for a shareholders' meeting is digitized and uploaded on NTT DATA's website eight business days before the dispatch of such notice. The notice of resolution is also uploaded on NTT DATA's website.

Conflicts of Interest by Directors

With respect to transactions involving a conflict of interest stipulated in the Companies Act, including direct transactions between NTT DATA and its own individual officers and transactions between NTT DATA and other organizations or companies represented by directors of NTT DATA, it stipulates that prior approval is necessary in accordance with its "Regulations of the Board of Directors." Such approval from the Board of Directors is first examined by the Legal Department and then reviewed for appropriateness and economic practicality, including whether the said transaction is in compliance with the general trade terms. After obtaining such approval, the status of the said transaction is regularly reported to the Board of Directors.

Transactions between NTT DATA and the parent companies undergo prior examination and are then approved by the Legal Department in accordance with the Authority Rules based on opinions of third-party specialists, if necessary, while the practicality and appropriateness of the transactions are being investigated.

Cross-Shareholdings

NTT DATA's purpose of cross-shareholdings is to maintain the medium- to long-term relationship, to expand the trading volume, and to create synergy with clients and business partners by holding shares issued by them. It is our policy to hold such shares if holding them is likely to enhance NTT DATA's enterprise value and lead to profit for our shareholders.

NTT DATA assesses the meaningfulness of cross-shareholding for each share every year, in a comprehensive manner, from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and in line with the purposes of holding: It is our policy to maintain the medium- to long-term relationship, to expand trading volume, to create synergy with clients and business partners, and so forth, and report to the Board of Directors, then decide whether to hold or sell such shares.

As a result of sale of certain shares in fiscal 2021, the total amount of cross-shareholdings on the balance sheet totaled ¥67.8 billion, and the ratio of cross-shareholdings to consolidated net assets was 5.1% as of the end of fiscal 2021. If it proves to be inadequate to hold the shares due to changes in the situation, NTT DATA will keep taking measures including reducing the number of those shares.

Please refer to the Annual Securities Report for details of the number of cross-held shares, changes in shares, amounts recorded in the balance sheet, etc.

🖥 https://www.nttdata.com/global/en/ir/library/ga/

Status of Major Shareholders

Name/Company Name	Number of Shares Owned	Percentage (%)
NTT, Inc.	760,000,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	181,675,100	12.95
Custody Bank of Japan, Ltd. (Trust Account)	72,542,966	5.17
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	19,176,700	1.37
JP MORGAN CHASE BANK 385635	18,597,400	1.33
NTT DATA Employee Share-Holding Association	14,158,300	1.01
STATE STREET BANK WEST CLIENT‐TREATY 505234	11,313,072	0.81
JP MORGAN CHASE BANK 380072	10,637,900	0.76
STATE STREET BANK AND TRUST COMPANY 505025	8,465,603	0.60
JP MORGAN CHASE BANK 385781	8,215,345	0.59

Adoption of Anti-Takeover Measures

Not adopted.

Internal Control

Basic Policy and Promotion System

The NTT DATA Group works to build and enhance its internal control system under a basic policy of always considering risks arising from business activities and taking various measures to ensure efficient implementation of fair and transparent business activities.

As a rule, twice a year, we convene meetings of the Internal Control Promotion Committee, which is tasked with assessing the effectiveness of internal control systems and managing and furthering overall internal control. We also hold meetings of the Steering Committee three times a year to evaluate the effectiveness of our internal control system related to financial reporting. Considering our expansion of global business, we will continue striving to strengthen the Group's overall internal control capabilities.

Specific Initiatives

◆ Implementation Status of Internal Audits

NTT DATA's Internal Audit Department conducts audits from a standpoint that is independent from operational divisions. In fiscal 2021, the department audited in-house organizations and 48 Group companies, primarily focusing on the themes of business process compliance, extended working hours, appropriateness of outsourcing contracts, and information security. The department also monitored the internal auditing activities of 11 Group companies. In addition, as part of Group-wide efforts to enhance internal auditing, 81 domestic and overseas Group companies conducted voluntary inspections based on unified audit items.

In addition, we are conducting symptom audits to analyze data extracted from various in-house information systems using computer-assisted audit technique (CAAT) tools. We are expanding the scope of application to Group companies while upgrading our fraudulent scenario detection capabilities. In addition to NTT DATA, the program was applied to 37 domestic and overseas Group companies in fiscal 2021.

We are committed to ensuring the reliability of our internal control system for financial reporting. To assess the effectiveness of internal controls, we verify our management philosophy and systems, the development status of various rules and regulations, and the operational status of business processes.

NTT DATA will continue collaborating with the internal audit departments and Audit and Supervisory Committee members of domestic and overseas Group companies, with the aim of establishing a global internal audit system while increasing the quality and quantity of internal audits.

◆ Education and Training Related to Internal Control Systems

NTT DATA provides an annual e-learning course on internal control to instill its policies and views on internal controls in employees, including those of Group companies.

Please refer to the Annual Securities Report for the operational status of the internal control system.

💻 https://www.nttdata.com/global/en/investors/management/ga

Independent Practitioner's Assurances

Independent assurances of environmental and social data are provided by Lloyd's Register Quality Assurance Limited. Check marks are attached to data that received such assurances.

🖥 https://www.nttdata.com/global/en/sustainability/sdgs-management/third-party-evaluation

LRQA Independent Assurance Statement

Relating to NTT DATA Corporation's Environmental and Social Data for the fiscal year 2021

This Assurance Statement has been prepared for NTT DATA Corporation in accordance with our contract.

Terms of Engagement

LRQA was commissioned by NTT DATA Corporation ("the Company") to provide independent assurance on its environmental and social data disclosed in NTT DATA Sustainability Report 2022, Integrated Report 2022 and Sustainability page of its corporate website ("the report") for the fiscal year 2021 (1/4/2021-31/3/2022), against the assurance criteria below to a limited level of assurance at the materiality of the professional judgement of the verifier and using ISAE 3000 (Revised) and ISO 14064-3:2019 for greenhouse gas (GHG) emissions.

Our assurance engagement covered the Company and its subsidiaries' operations and activities in Japan and overseas countries and specifically the following requirements:[1]
- Verifying conformance with the Company reporting methodologies for the selected datasets:
- Evaluating the accuracy and reliability of the data for only the selected indicators listed below:

Environmental [2][3]
- GHG emissions (Scope 1, Scope 2 [Market-based and Location-based], and Scope 3[4]) {tCO₂e}
- Energy consumption and renewable energy consumption (MWh)[5][6]
- Water Resources (Clean water consumption and Drainage amount)[5][6] (m³)

Social [7]
- Number of occupational accidents
- Number of women in management positions [%]
- Expenditures for social contribution activities (in Japanese yen)
- Number of employees with disabilities [Employment ratio] [8]

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. the Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:
- Met the requirements of the criteria listed above
- Disclosed accurate and reliable environmental and social data

[1] LRQA undertook a limited assurance engagement of the environmental and social data marked with ✓ within NTT DATA Sustainability Report 2022 and Integrated Report 2022.
[2] GHG quantification is subject to inherent uncertainty.
[3] Energy consumption, renewable energy consumption, energy-oriented CO₂ emissions and non-energy-oriented GHG emissions cover NTT DATA Corporation and its consolidated subsidiaries in Japan, Americas, and India.
[4] Scope 3 GHG emissions cover NTT DATA Corporation and its domestic and consolidated subsidiaries. Scope 3 GHG emissions cover from Category 1 to 15. Category 3 of Scope 3 GHG emissions cover the activity data associated with electricity and fuel consumption of the Company and its domestic and overseas consolidated subsidiaries and NTT DATA Services.
[5] Water resources cover NTT DATA Corporation and its domestic consolidated subsidiaries.
[6] Water consumption includes water supply, grey water, rainwater and half of water and wastewater unclassified. Sewage volume includes half of the water and wastewater unclassified.
[7] Number of occupational accidents covers NTT DATA Corporation only. The number of employees with disabilities [Employment ratio] covers NTT DATA Corporation and NTT DATA DAICHI Corporation. Number of women in management positions [Ratio] and the expenditures for social contribution activities cover NTT DATA Corporation and its consolidated subsidiaries in Japan.
[8] Number of employees with disabilities is as of 1 June 2022.

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The opinion expressed is formed on the basis of a limited level of assurance[a] and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:
- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical environmental and social data and records for the fiscal year 2021; and
- By implementing the Company's "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification to NTT DATA Kasai Techno Building and NTT DATA CCS Corporation for confirming the effectiveness of its data management systems via emails and Microsoft Teams.

Observations

It is expected that the Company will continue to maintain the high-level data management systems to ensure efficient and accurate aggregation and calculation of environmental and social data.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality

Signed   Dated: 8 July 2022

Norihiko Kinoshita
LRQA Lead Verifier
On behalf of LRQA Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN
LRQA reference: YKA4005176

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[a] The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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Comparative Table with GRI Standards

◆ General Standard Disclosures

Disclosure	Indicator	Source of Reference	
		Data Book	NTT Data Official Website
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices			
2-1	Organizational details	P002	ABOUT US 🖥 https://www.nttdata.com/global/en/about-us
2-2	Entities included in the organization's sustainability reporting	P002	INVESTORS/Financials/Historical Financial Data, etc. 🖥 https://www.nttdata.com/global/en/investors/financials
2-3	Reporting period, frequency and contact point	P002 P128	—
2-4	Restatements of information	—	—
2-5	External assurance	P127	Third-Party Evaluations & Verification 🖥 https://www.nttdata.com/global/en/sustainability/sdgs-management/third-party-evaluation
2. Activities and workers			
2-6	Activities, value chain and other business relationships	P006-007	ABOUT US 🖥 https://www.nttdata.com/global/en/about-us SERVICES 🖥 https://www.nttdata.com/global/en/services INVESTORS/Financials 🖥 https://www.nttdata.com/global/en/investors/financials
2-7	Employees	P096-098	Employee Data 🖥 https://www.nttdata.com/global/en/Sustainability/esg-data/employee-data
2-8	Workers who are not employees	P090	Employee Data 🖥 https://www.nttdata.com/global/en/Sustainability/esg-data/employee-data
3. Governance			
2-9	Governance structure and composition	P112-116	Governance 🖥 https://www.nttdata.com/global/en/sustainability/governance
2-10	Nomination and selection of the highest governance body	P117-118	Governance 🖥 https://www.nttdata.com/global/en/sustainability/governance
2-11	Chair of the highest governance body	P112-113	Governance 🖥 https://www.nttdata.com/global/en/sustainability/governance
2-12	Role of the highest governance body in overseeing the management of impacts	P008 P017 P021-022 P047 P068 P112-116	Governance 🖥 https://www.nttdata.com/global/en/sustainability/governance
2-13	Delegation of responsibility for managing impacts	P068 P112-114	—
2-14	Role of the highest governance body in sustainability reporting	P008	—
2-15	Conflicts of interest	P0124	Governance Report 🖥 https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/investors/corporate-governance/ga220617-02.pdf
2-16	Communication of critical concerns	P014 P079 P068-069 P082-083 P104 P112-113	—
2-17	Collective knowledge of the highest governance body	P14 P112-116	Governance Report 🖥 https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/investors/corporate-governance/ga220617-02.pdf
2-18	Evaluation of the performance of the highest governance body	P116	Governance Report 🖥 https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/investors/corporate-governance/ga220617-02.pdf

2-19	Remuneration policies	P119-120	Governance Report 🖥 https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/investors/corporate-governance/ga220617-02.pdf
2-20	Process to determine remuneration	P119-120	—
2-21	Annual total compensation ratio	P119-120	—
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	—	Message from CEO 🖥 https://www.nttdata.com/global/en/sustainability
2-23	Policy commitments	P006-009 P015 P017-018 P021 P023-024 P101	Message from CEO 🖥 https://www.nttdata.com/global/en/sustainability
2-24	Embedding policy commitments	P011-012 P80-81 P101-104 P026-052 P062-086 P092-095 P102-110 P112-126	Materiality of Sustainability Management 🖥 https://www.nttdata.com/global/en/sustainability Contribution to society through business and corporate activities 🖥 https://www.nttdata.com/global/en/sustainability/sdgs-management/social-contribution-through-businesses
2-25	Processes to remediate negative impacts	P080-081 P082-083	Compliance 🖥 https://www.nttdata.com/global/en/Sustainability/governance/compliance
2-26	Mechanisms for seeking advice and raising concerns	P082-084	Compliance 🖥 https://www.nttdata.com/global/en/Sustainability/governance/compliance
2-27	Compliance with laws and regulations	P082-084	Compliance 🖥 https://www.nttdata.com/global/en/Sustainability/governance/compliance
2-28	Membership associations	P015	—
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	P013	Stakeholder Engagement 🖥 https://www.nttdata.com/global/en/Sustainability/employee/engagement
2-30	Collective bargaining agreements	P95	Diversity, Equity and Inclusion 🖥 https://www.nttdata.com/global/en/Sustainability/dei/people
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	P009-010	—
3-2	List of material topics	P011-012	Materiality of Sustainability Management 🖥 https://www.nttdata.com/global/en/sustainability
3-3	Management of material topics	P008 P015 P021-024 P047-050 P061 P065-067 P068-069 P074-076 P079-081 P090 P101-102	Materiality of Sustainability Management 🖥 https://www.nttdata.com/global/en/sustainability

◆ Topic-specific Standards

Disclosure	Indicator	Source of Reference	
		Data Book	NTT Data Official Website
200: Economic			
GRI 201 Economic Performance 2016			
201-1	Direct economic value generated and distributed	—	INVESTORS/Financials 🖥 https://www.nttdata.com/global/en/investors/library/earnings
201-2	Financial implications and other risks and opportunities due to climate change	P026-034	NTT DATA Carbon-neutral Vision 2050 🖥 https://www.nttdata.com/global/en/sustainability/environment
201-3	Defined benefit plan obligations and other retirement plans	—	—

201-4	Financial assistance received from government	—	—
GRI 202 Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—	—
202-2	Proportion of senior management hired from the local community	—	—
GRI 203 Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	P028-034 P039 P043 P045 P061-063 P109-110	—
203-2	Significant indirect economic impacts	P032-034 P110	—
GRI 204 Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	—	—
GRI 205 Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	P082-086	—
205-2	Communication and training about anti-corruption policies and procedures	P082-086	—
205-3	Confirmed incidents of corruption and actions taken	P082-086	—
GRI 206 Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P086	—
GRI 207 Tax 2019			
207-1	Approach to tax	P085-086	—
207-2	Tax governance, control, and risk management	P085-086	—
207-3	Stakeholder engagement and management of concerns related to tax	P085-086	—
207-4	Country-by-country reporting	P86	—
300 : Environmental			
GRI 301 Materials 2016			
301-1	Materials used by weight or volume	—	—
301-2	Recycled input materials used	—	—
301-3	Reclaimed products and their packaging materials	—	—
GRI 302 Energy 2016			
302-1	Energy consumption within the organization	P052-057	—
302-2	Energy consumption outside of the organization	—	—
302-3	Energy intensity	—	—
302-4	Reduction of energy consumption	P052 P057	—
302-5	Reduction in energy requirements of products and services	P033-034	—
GRI 303 Water and Effluents 2018			
303-1	Interactions with water as a shared resource	P057	—
303-2	Management of water discharge-related impacts	—	—
303-3	Water withdrawal	—	—
303-4	Water discharge	P056-057	—
303-5	Water consumption	P052-054 P056-057	—
GRI 304 Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	—
304-2	Significant impacts of activities, products, and services on biodiversity	—	—
304-3	Habitats protected or restored	—	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	—
GRI 305 Emissions 2016			

305-1	Direct (Scope 1) GHG emissions	P049-050 P052-057	—
305-2	Energy indirect (Scope 2) GHG emissions	P049-050 P052-057	—
305-3	Other indirect (Scope 3) GHG emissions	P049-050 P052-055 P057	—
305-4	GHG emissions intensity	P036-037 P052-057	—
305-5	Reduction of GHG emissions	P049-050 P052-057	—
305-6	Emissions of ozone-depleting substances (ODS)	P052-055	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P052-055	—
GRI 306 Waste 2020			
306-1	Waste generation and significant waste-related impacts	P043-046 P049-050 P052-055 P057	—
306-2	Management of significant waste-related impacts	P043-046 P052-055	—
306-3	Waste generated	P044 P050 P052-055 P057	—
306-4	Waste diverted from disposal	P044 P052-055 P057	—
306-5	Waste directed to disposal	P049 P052-055 P057	—
GRI 308 Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	P041-042	—
308-2	Negative environmental impacts in the supply chain and actions taken	—	—
400: Social			
GRI 401 Employment 2016			
401-1	New employee hires and employee turnover	P087 P097	—
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	—
401-3	Parental leave	P098 P106	Diversity, Equity and Inclusion 🖥 https://www.nttdata.com/global/en/Sustainability/dei/people
GRI 402 Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	—	—
GRI 403 Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	P091-095 P98	—
403-2	Hazard identification, risk assessment, and incident investigation	P091-095 P98	—
403-3	Occupational health services	P091-094 P98	—
403-4	Worker participation, consultation, and communication on occupational health and safety	P091-095	—
403-5	Worker training on occupational health and safety	P093	—
403-6	Promotion of worker health	P091-095	—
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P091-095	—
403-8	Workers covered by an occupational health and safety management system	P091-095	—
403-9	Work-related injuries	P094 P098	—
403-10	Work-related ill health	P094	—

		P098	
GRI 404 Training and Education 2016			
404-1	Average hours of training per year per employee	P097	—
404-2	Programs for upgrading employee skills and transition assistance programs	P087-090	—
404-3	Percentage of employees receiving regular performance and career development reviews	P090 P095	—
GRI 405 Diversity and Equal Opportunity 2016			

405-1	Diversity of governance bodies and employees	P097 P105-108 P113-115	Diversity, Equity and Inclusion
			    https://www.nttdata.com/global/en/Sustainability/dei/people
			Governance
			    https://www.nttdata.com/global/en/sustainability/governance
			Governance Report
			    https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/investors/corporate-governance/ga220617-02.pdf

405-2	Ratio of basic salary and remuneration of women to men	P097	—
GRI 406 Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	—	—
GRI 407 Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P080-083 P101-103	—
GRI 408 Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	P080-083 P101-103	—
GRI 409 Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P080-083 P101-103	—
GRI 410 Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	—	—
GRI 411 Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	—	—
GRI 413 Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	P109-110	—
413-2	Operations with significant actual and potential negative impacts on local communities	—	—
GRI 414 Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	P080-081	—
414-2	Negative social impacts in the supply chain and actions taken	—	—
GRI 415 Public Policy 2016			
415-1	Political contributions	P086	—
GRI 416 Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	P064-067	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	—	—
GRI 417 Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	—	—
417-2	Incidents of non-compliance concerning product and service information and labeling	—	—
417-3	Incidents of non-compliance concerning marketing communications	P086	—
GRI 418 Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P074-078	—

■Disclaimer and Notes

・ This report contains not only historical or current facts relating to NTT DATA Corporation and Group companies but also judgments, plans, and predictions based on information available at the time of publication. Readers are advised that actual results of future business activities and events might differ materially from the forecasts contained herein.

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🖥 https://www.nttdata.com/global/en/